EXHIBIT 11

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM D

OMB APPROVAL	
OMB Number:	3235-0076
Estimated average burden hours per response:	4.00

Notice of Exempt Offering of Securities

1. Issuer's Identity

CIK (Filer ID Number)
0001822044

Previous Names
[X] None

Name of Issuer
Camshaft Capital Fund, LP

Jurisdiction of Incorporation/Organization
DELAWARE

Year of Incorporation/Organization
[ ] Over Five Years Ago
[X] Within Last Five Years (Specify Year) 2020
[ ] Yet to Be Formed

Entity Type
[ ] Corporation
[X] Limited Partnership
[ ] Limited Liability Company
[ ] General Partnership
[ ] Business Trust
[ ] Other (Specify)

2. Principal Place of Business and Contact Information

Name of Issuer
Camshaft Capital Fund, LP

Street Address 1	Street Address 2		
285 NW 42ND AVENUE			
City	**State/Province/Country**	**ZIP/PostalCode**	**Phone Number of Issuer**
MIAMI	FLORIDA	33126	4065523828

3. Related Persons

Last Name	First Name	Middle Name
Morton	William	
Street Address 1	**Street Address 2**	
285 NW 42nd Avenue		
City	**State/Province/Country**	**ZIP/PostalCode**
Miami	FLORIDA	33126

Relationship: [X] Executive Officer [ ] Director [ ] Promoter

Clarification of Response (if Necessary):

4. Industry Group

[ ] Agriculture

Banking & Financial Services
[ ] Commercial Banking
[ ] Insurance
[ ] Investing
[ ] Investment Banking
[X] Pooled Investment Fund

Health Care
[ ] Biotechnology
[ ] Health Insurance
[ ] Hospitals & Physicians
[ ] Pharmaceuticals
[ ] Other Health Care

[ ] Retailing
[ ] Restaurants

Technology
[ ] Computers
[ ] Telecommunications
[ ] Other Technology

- [X] Hedge Fund
- [ ] Private Equity Fund
- [ ] Venture Capital Fund
- [ ] Other Investment Fund

Is the issuer registered as an investment company under the Investment Company Act of 1940?

[ ] Yes [X] No

- [ ] Other Banking & Financial Services
- [ ] Business Services

Energy
- [ ] Coal Mining
- [ ] Electric Utilities
- [ ] Energy Conservation
- [ ] Environmental Services
- [ ] Oil & Gas
- [ ] Other Energy

- [ ] Manufacturing

Real Estate
- [ ] Commercial
- [ ] Construction
- [ ] REITS & Finance
- [ ] Residential
- [ ] Other Real Estate

Travel
- [ ] Airlines & Airports
- [ ] Lodging & Conventions
- [ ] Tourism & Travel Services
- [ ] Other Travel
- [ ] Other

5. Issuer Size

Revenue Range	OR	Aggregate Net Asset Value Range
[ ] No Revenues		[ ] No Aggregate Net Asset Value
[ ] $1 - $1,000,000		[ ] $1 - $5,000,000
[ ] $1,000,001 - $5,000,000		[ ] $5,000,001 - $25,000,000
[ ] $5,000,001 - $25,000,000		[ ] $25,000,001 - $50,000,000
[ ] $25,000,001 - $100,000,000		[ ] $50,000,001 - $100,000,000
[ ] Over $100,000,000		[ ] Over $100,000,000
[ ] Decline to Disclose		[X] Decline to Disclose
[ ] Not Applicable		[ ] Not Applicable

6. Federal Exemption(s) and Exclusion(s) Claimed (select all that apply)

- [ ] Rule 504(b)(1) (not (i), (ii) or (iii))
- [ ] Rule 504 (b)(1)(i)
- [ ] Rule 504 (b)(1)(ii)
- [ ] Rule 504 (b)(1)(iii)
- [ ] Rule 505
- [X] Rule 506(b)
- [ ] Rule 506(c)
- [ ] Securities Act Section 4(a)(5)

- [X] Investment Company Act Section 3(c)

[X] Section 3(c)(1)	[ ] Section 3(c)(9)
[ ] Section 3(c)(2)	[ ] Section 3(c)(10)
[ ] Section 3(c)(3)	[ ] Section 3(c)(11)
[ ] Section 3(c)(4)	[ ] Section 3(c)(12)
[ ] Section 3(c)(5)	[ ] Section 3(c)(13)
[ ] Section 3(c)(6)	[ ] Section 3(c)(14)
[ ] Section 3(c)(7)	

7. Type of Filing

[X] New Notice Date of First Sale [X] First Sale Yet to Occur

[ ] Amendment

8. Duration of Offering

Does the Issuer intend this offering to last more than one year? [X] Yes [ ] No

9. Type(s) of Securities Offered (select all that apply)

- [ ] Equity
- [ ] Debt
- [ ] Option, Warrant or Other Right to Acquire Another Security
- [ ] Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security
- [X] Pooled Investment Fund Interests
- [ ] Tenant-in-Common Securities
- [ ] Mineral Property Securities
- [ ] Other (describe)

10. Business Combination Transaction

Is this offering being made in connection with a business combination transaction, such as a merger, acquisition or exchange offer? [ ] Yes [X] No

Clarification of Response (if Necessary):

11. Minimum Investment

Minimum investment accepted from any outside investor $ 50,000 USD

12. Sales Compensation

Recipient

Recipient CRD Number [X] None

(Associated) Broker or Dealer [X] None

(Associated) Broker or Dealer CRD Number [X] None

Street Address 1

Street Address 2

City

State/Province/Country

ZIP/Postal Code

State(s) of Solicitation (select all that apply)
Check "All States" or check individual States [ ] All States [ ] Foreign/non-US

13. Offering and Sales Amounts

Total Offering Amount USD or [X] Indefinite

Total Amount Sold $ 0 USD

Total Remaining to be Sold USD or [X] Indefinite

Clarification of Response (if Necessary):

14. Investors

[ ] Select if securities in the offering have been or may be sold to persons who do not qualify as accredited investors, and enter the number of such non-accredited investors who already have invested in the offering.

Regardless of whether securities in the offering have been or may be sold to persons who do not qualify as accredited investors, enter the total number of investors who already have invested in the offering: 0

15. Sales Commissions & Finder's Fees Expenses

Provide separately the amounts of sales commissions and finders fees expenses, if any. If the amount of an expenditure is not known, provide an estimate and check the box next to the amount.

Sales Commissions $ 0 USD [X] Estimate

Finders' Fees $ 0 USD [X] Estimate

Clarification of Response (if Necessary):

16. Use of Proceeds

Provide the amount of the gross proceeds of the offering that has been or is proposed to be used for payments to any of the persons required to be named as executive officers, directors or promoters in response to Item 3 above. If the amount is unknown, provide an estimate and check the box next to the amount.

$ 0 USD [X] Estimate

Clarification of Response (if Necessary):

Signature and Submission

Please verify the information you have entered and review the Terms of Submission below before signing and clicking

SUBMIT below to file this notice.

Terms of Submission

In submitting this notice, each issuer named above is:

- Notifying the SEC and/or each State in which this notice is filed of the offering of securities described and undertaking to furnish them, upon written request, in the accordance with applicable law, the information furnished to offerees.*
- Irrevocably appointing each of the Secretary of the SEC and, the Securities Administrator or other legally designated officer of the State in which the issuer maintains its principal place of business and any State in which this notice is filed, as its agents for service of process, and agreeing that these persons may accept service on its behalf, of any notice, process or pleading, and further agreeing that such service may be made by registered or certified mail, in any Federal or state action, administrative proceeding, or arbitration brought against it in any place subject to the jurisdiction of the United States, if the action, proceeding or arbitration (a) arises out of any activity in connection with the offering of securities that is the subject of this notice, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these statutes, or (ii) the laws of the State in which the issuer maintains its principal place of business or any State in which this notice is filed.
- Certifying that, if the issuer is claiming a Regulation D exemption for the offering, the issuer is not disqualified from relying on Regulation D for one of the reasons stated in Rule 505(b)(2)(iii) or Rule 506(d).

Each Issuer identified above has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

For signature, type in the signer's name or other letters or characters adopted or authorized as the signer's signature.

Issuer	Signature	Name of Signer	Title	Date
Camshaft Capital Fund, LP	/William Morton/	William Morton	Manager of General Partner	2020-09-11

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

* This undertaking does not affect any limits Section 102(a) of the National Securities Markets Improvement Act of 1996 ("NSMIA") [Pub. L. No. 104-290, 110 Stat. 3416 (Oct. 11, 1996)] imposes on the ability of States to require information. As a result, if the securities that are the subject of this Form D are "covered securities" for purposes of NSMIA, whether in all instances or due to the nature of the offering that is the subject of this Form D, States cannot routinely require offering materials under this undertaking or otherwise and can require offering materials only to the extent NSMIA permits them to do so under NSMIA's preservation of their anti-fraud authority.

EXHIBIT 12


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EXHIBIT 13

CAMSHAFTCAPITAL

CAMSHAFT CAPITAL ADVISORS, LLC
1200 BRICKELL AVE SUITE 310
MIAMI, FL 33131
TELEPHONE: 305-619-1383

WWW.CAMSHAFTGROUP.COM

January 2024

This brochure provides information about the qualifications and business practices of Camshaft Capital Advisors. LLC ("Camshaft" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (305) 619-1383 and/or email: william@camshaftcapital.com The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Camshaft also is available on the SEC's website at www.adviserinfo.sec.gov.

Camshaft is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

<u>Item 2.</u> Material Changes

This is the initial Brochure filing for Camshaft Capital Advisors, LLC. Going forward this Item will be updated with each annual amendment.

The information set forth in this Brochure is qualified in its entirety by reference to a Client's Governing Documents (as defined herein) and/or offering documents. In the event of a conflict between the information set forth in this Brochure and the information set forth in a Client's Governing Documents and/or offering documents, the Client's Governing Documents and/or offering documents shall take precedence.

Item 3. Table of Contents

<u>Item 4.</u> Advisory Business

For the purposes of this Brochure, the "**Adviser**", "Camshaft: or the "**Investment Manager"** means Camshaft Capital Advisors, LLC. The Investment Manager, owned by William Morton, is a limited liability company organized under the laws of the State of Florida and has been providing investment advisory services since 2020. Camshaft Capital Management, LLC is the General Partner of Camshaft Capital Fund LP. Mr. Morton acts as the managing member of Camshaft Capital Management, LLC.

Currently, Camshaft manages and provides discretionary investment advisory services to the Camshaft Capital Fund, LP (as defined below in this Item 4 under "**Funds**"). In addition, Camshaft may serve as a discretionary investment adviser to invest the assets of a privately offered pooled investment vehicle managed by an unaffiliated third-party pursuant to a trading advisory agreement (the "**<u>Third-Party Fund</u>**" and, together with the Camshaft Funds, the "**<u>Funds</u>**"). Camshaft may also provide investment advisory services to entities or pooled investment vehicles on a managed account basis (each such arrangement, a "**Managed Account**," and the entity(ies) funding a Managed Account, a "**Managed Account Client**"). For the purposes of this brochure, a "**Client**" refers to a Fund (but not the investors in a Fund) and/or a Managed Account Client, as the context requires.

As of December 31, 2022, Camshaft had $595,845,395 in regulatory assets under management. Camshaft does not currently manage any Client assets on a non-discretionary basis. Camshaft does not participate in any wrap fee programs.

<u>Managed Account Arrangements</u>

As of the date of this brochure, Camshaft has no Managed Account arrangements. However, in the event that Camshaft were to enter into a Managed Account arrangement in the future, then Camshaft would develop investment guidelines based upon the Managed Account Client's specific investment objectives. Managed Account advisory services would be governed by a written agreement ("**Managed Account Agreement**") between Camshaft and the Managed Account Client. Camshaft would manage any such Managed Accounts under a broad range of potential mandates. Managed Account Clients would be permitted to amend their investment guidelines as their needs change or impose restrictions or limitations on investing in certain securities or types of securities.

<u>Item 5.</u> Fees and Compensation

A management fee is paid monthly in advance to the General Partner. The management fee is equal to three percent (3%) per annum of the beginning capital account balance of each Limited Partner for such month. The General Partner may, in its sole discretion, enter into arrangements with Limited Partners under which the management fee is reduced, waived or calculated differently with respect to such Limited Partners, including, without limitation, Limited Partners that are members, affiliates or employees of the General Partner, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make substantial investment or otherwise are determined by the General Partner in its sole discretion to represent a strategic relationship.

To the extent that there is a shared expense among any of the Camshaft Funds, on the one hand, and Camshaft, on the other hand, Camshaft will allocate the expense among such Camshaft Fund(s) and itself in a manner that it determines is fair and equitable under the circumstances to all parties.

See Item 6 below for more information concerning performance-based fees.

Managed Accounts

Camshaft presently does not have, and thus receives no fees from, any Managed Account Clients. In the event that Camshaft were to advise a Managed Account in the future, it may be paid a management fee and/or a performance fee by such Managed Account in accordance with the terms of the applicable Managed Account Agreement.

Additional Expenses

In addition to the management fees and the performance-based fees described above, the Camshaft Funds (and, indirectly, the investors therein) will pay such additional expenses as are disclosed in the Camshaft Funds' applicable offering documents. The expenses to be paid by each Camshaft Fund vary and may include, among others, the following: transaction costs and investment-related expenses incurred in connection with the Funds' trading activities, including securities and futures brokerage, clearing, margin interest (if any), custodial expenses, and any non-U.S. mutual fund expenses; all U.S. and non-U.S. legal, regulatory and compliance fees and expenses (including, but not limited to, blue sky compliance, compliance with the Alternative Investment Fund Managers Directive, MIFID, the EEA and FATCA), accounting, auditing, tax preparation, expenses relating to the offering and sale of the Shares, and registration fees and expenses as well as related fees and expenses (including, but not limited to, legal fees or other fees and expenses related to: the preparation and filing of Form PF, CFTC and NFA Form CPO-PQR, NFA Form CTA-PR and NFA Form PR, the applicable portion of Camshaft's fees and expenses incurred in connection with preparing and filing Form ADV that are allocable to a Camshaft Fund, and any other SEC, CFTC and/or NFA filings and registrations or other filings that are made with respect to the Funds or assets of the Funds; related requirements under the Dodd-Frank Act, and U.S. Department of the Treasury and U.S. Department of Commerce regulations; and registrations and related requirements of foreign regulators); expenses associated with the continued offering of shares, which include, but are not limited to, marketing, travel and other solicitation expenses; operational expenses such as the administrator's charges, fees and expenses, trade support systems, the directors' charges and expenses, photocopying, facsimile, postage, and telephone expenses; research and research-related costs, consulting fees, fees and charges (such as data feeds, news, Fund reports, brokerage reports, software licenses, ongoing development, implementation, updating and support of software licenses, bank service fees, third-party trading and/or portfolio-related services and support, including software costs such as order management, risk management and similar systems, software costs relating to order management, and Bloomberg terminals and services); legal fees and due diligence expenses, related to the analysis purchase or sale of investments, whether or not the investment is consummated; Camshaft Fund related insurance costs (including a portion of D&O and E&O insurance for Camshaft, if applicable), extraordinary expenses (such as, litigation costs and indemnification obligations), if any; the Performance Fee and the Management Fee (defined below) paid to Camshaft; Cayman Islands government fees and director registration fees and other equivalent expenses; and interest in connection with

investment-related borrowings. In addition, each Fund will bear its *pro rata* share of all expenses related to any pooled investment vehicle(s) (including, but not limited to, the Master Fund) in which such Fund invests; such charges may include management fees, performance fees, ordinary operating expenses (such as administration, legal, accounting and other operational costs) and extraordinary expenses (such as litigation costs and indemnification obligations), provided that such Fund will not bear a double-layering of asset-based fees or performance-based compensation in connection with its investment in another Camshaft Fund. Therefore, it is possible that a Fund may bear a portion of any such expense even though it may not directly benefit therefrom. Funds also pay the fees and expenses of their prime brokers, futures commission merchants and administrators.

As described further in the respective offering documents for the Camshaft Funds, generally, Camshaft will bear certain overhead expenses of operating the Camshaft Funds which otherwise would be allocable to the Camshaft Funds.

Although Camshaft presently does not have any Managed Account Clients, any future Managed Account Clients of Camshaft may be expected to pay additional expenses similar to those described above, to the extent applicable, subject to the specific terms of the applicable Managed Account Agreement.

Please see Item 12 below for a discussion of Camshaft's brokerage practices.

Additional Information About Fees and Expenses

The specific manner in which Camshaft charges management fees, performance-based fees, and expenses is established in each Client's written agreement with Camshaft. Camshaft investors may consult the applicable Fund's offering memorandum and governing documents for a description of these charges. Generally, pursuant to the applicable governing documents for each Fund, management fees and performance-based fees are deducted directly from each investor's account with the relevant Fund. Management fees, if any, are generally paid monthly in arrears. Performance fees, if any, are paid at the end of the fiscal year to which the fee pertains or upon a redemption from a Fund or a termination of a Managed Account.

The foregoing fees and expenses may be negotiable, reduced, rebated or waived in certain circumstances, including with respect to Clients or Fund investors that are employees of Camshaft and other persons that are affiliated with Camshaft or its affiliates.

Item 6. Performance-Based Fees and Side-By-Side Management

Currently, Camshaft's Clients are generally charged both a management fee and a performance fee. The performance fees are structured to comply with Section 205 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Performance-based compensation arrangements may create an incentive for Camshaft to make investments that are riskier or more speculative than would be the case in the absence of a financial incentive based on the performance of a Client's account. Performance-based compensation arrangements may also create an incentive for Camshaft to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. When Camshaft

transacts securities for more than one Client account, the investment opportunities and trades must be allocated in a manner consistent with Camshaft's fiduciary duties. Camshaft will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of capital under management by Camshaft or different amounts of investable cash available or different investment guidelines, financing arrangements and/or dealer relationships. As a result, although Camshaft manages portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Camshaft presently does not have, and thus receives no fees from, any Managed Account Clients. If in the future Camshaft were to advise a Managed Account alongside the Camshaft Funds, it is possible that Camshaft may take different positions in the same or related securities for such Clients, such as selling certain securities short for a Camshaft Fund while a Managed Account simultaneously holds the same or related securities long. In such case, Camshaft will adopt and execute side-by-side management procedures in an effort to mitigate these potential conflicts.

Item 7. Types of Clients

Camshaft currently provides investment advice only to the Camshaft Funds. However, Camshaft may advise additional or different types of entities in the future.

Each Camshaft Fund is not registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"), in reliance on the exemption provided by Section 3(c)(7) of the 1940 Act. In addition, each Camshaft Fund's interests or shares (as applicable) are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state "blue-sky" laws; rather, they are privately offered only to qualified purchasers and accredited investors pursuant to an exemption from registration under Regulation D under the Securities Act. Each investor in the Fund must be (1) an "accredited investor" as defined in Regulation D under the Securities Act, (2) a "qualified purchaser" as defined in the 1940 Act and the regulations under the 1940 Act, and (3) a "United States person" as defined under the Internal Revenue Code of 1986, as amended (the "Code"). Each investor in the Fund that is a "United States person" (as defined in the Code) must be (1) an "accredited investor," as defined in Regulation D under the Securities Act, (2) a "qualified purchaser" or "knowledgeable employee" as defined in the 1940 Act and the rules under the 1940 Act (and thus a "qualified client" within the meaning of the Advisers Act), and (3) exempt from U.S. federal income tax under Section 501 of the Code or otherwise. Each other investor in the Fund must not be a "U.S. person," as defined in Regulation S under the Securities Act, or a "United States person" as defined in the Code, and must be a "Non-United States person" as defined in Regulation 4.7 under the U.S. Commodity Exchange Act, as amended. The minimum investment in each Fund, subject to waiver, is $2,500,000.

If a Client or potential Client would like to open a Managed Account, the conditions for starting and maintaining a Managed Account will vary with the circumstances of each Managed Account and be negotiated and set forth on an individual basis in the relevant Managed Account Agreement.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The methods of analysis and investment strategies used by Camshaft in managing Camshaft Fund assets are summarized below. The methods of analysis and investment strategies that Camshaft would use to manage assets of any Managed Account Clients would vary depending on the needs of each Managed Account Client, but are expected to be comparable to those summarized below for the Camshaft Funds. In addition, the material risks involved with each significant investment strategy and method of analysis is explained below.

Methods of Analysis and Investment Strategies

The methods of analysis and investment strategies used by Camshaft in managing assets are summarized below. Investors and prospective investors in a Camshaft Fund should review the offering memorandum Fund in which they are invested (or are seeking to invest) for additional information about the strategies and risks associated with an investment in such Fund. For information concerning the sub-strategies identified below, please refer to the confidential offering memorandum of the applicable Camshaft Fund.

- *Leverage and Short Selling*. The Fund may from time to time engage in short selling. Selling securities short runs the risk of losing an amount greater than the amount invested. Short selling is subject to theoretically unlimited risk of loss because there is no limit on how much the price of the stock may appreciate before the short position is closed out. A short sale may result in a sudden and substantial loss if, for example, an acquisition proposal is made for the subject company at a substantial premium over market price. Furthermore, the Fund at times will trade securities on a leveraged basis, i.e., where the security can be purchased by putting up only a portion of the instrument's face value and borrowing the remainder (margin). As a result, a relatively small price movement in a security may result in immediate and substantial losses to the Fund. In addition, trading on margin will result in interest charges to the Fund which may be substantial. Leveraged investments, including any purchase or sale of securities on margin, may result in losses in excess of the amount invested.

- *Trading in Distressed Securities and Highly Leveraged Companies*. The strategies of the General Partner and the Investment Advisers may entail investments in distressed securities and highly leveraged companies. An investment in these types of securities and companies, by the nature of their leveraged capital structure, will involve a high degree of financial risk. Such risks include, but are not limited to, the following: (a) difficulty in identifying attractive investment opportunities; (b) subordination to substantial amounts of senior indebtedness, all or a signification portion of which may be secured; (c) the possibility of substantial changes in rights and covenants which could result in less protection for the Fund with respect to securities purchased in proceedings under Chapter 11 of the US Bankruptcy Code; and (d) the lack of regulation of the OTC Market (in which distressed securities often are traded) by any exchange, and the lack of any established market-making, margin or other requirements that would help to insure a viable trading market exists for a particular security.

- *Illiquidity of Markets*. At various times, the markets for securities interests purchased or sold by the Fund may be "thing" or illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. For example, securities exchanges and the

SEC have authority to suspend trading in a particular security without notice. In addition, the Fund may invest in private placements of securities that are not registered under the Act and may have little to no trading market.

- *Investing in Illiquid Securities*. The Fund may from time to time invest in unregistered securities of public companies and at times in the securities of private companies, including without limitation, limited partnerships, the securities of which may be, and often are, illiquid. While no more that 10% of the Fund's portfolio may be invested in illiquid securities, the Fund may be forced to hold a larger cash reserve than normal as a precaution in the event of a large number of withdrawal requests by Limited Partners within a short period of time.

- *Other Investment Strategies*. Camshaft may also pursue other investment strategies as it deems appropriate, including, but not limited to: long/short equity investing, investing and trading in futures, foreign currency instruments, options, total-return swaps, stock indices and exchange-traded funds or other derivative financial instruments.

Material Risks

An investment in the Camshaft Funds involves substantial risks, including, but not limited to, those described below. The following information is not intended to be an exhaustive listing of all potential risks associated with an investment in the Camshaft Funds. There can be no assurance that the Camshaft Funds will realize their investment objective or return any capital. Shares/interests are a potentially suitable investment only for sophisticated investors for whom an investment in the Camshaft Funds does not represent a complete investment program and who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks of an investment in the shares/interests.

Note that, while this section may refer to risks of trading by the Camshaft Funds, all of the Camshaft Funds' trading activities occur at the level of the Master Fund. In addition, references in this section to possible actions undertaken by the Camshaft Funds and the risks related to the operation of the Camshaft Funds should be read to include references to possible actions undertaken by the Master Fund and the risks related to the operation of the Master Fund.

Prospective investors should give careful consideration to the following factors in evaluating the merits and suitability of an investment in the Camshaft Funds:

Risks Relating to the Camshaft Funds and the Offering of Shares/Interests

Limitations on Past Performance. Camshaft Funds' past performance is by no means necessarily representative of how the Camshaft Funds will perform. While certain individuals of the Firm have substantial experience investing in certain types of opportunities that the Camshaft Funds pursues, there can be no assurance that the Camshaft Funds or the Master Fund will generate performance results equivalent to the past results generated by the Firm or that the Camshaft Funds will avoid losses. Market conditions and trading approaches are continually changing, and the fact that certain individuals of the Firm may have achieved certain positive performance in the past may be largely irrelevant to the Camshaft Funds' prospects for profitability. The Camshaft Funds'

past performance has been, and is expected to continue to be, highly volatile. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

Potential Loss of Investment. An investment in the Camshaft Funds involves a high degree of risk. There can be no assurance that the Camshaft Funds' investment objective will be achieved. There is a risk that an investment in the Camshaft Funds will be lost entirely or in part. The Camshaft Funds is not a complete investment program and should represent only a portion of an investor's portfolio. Investors must be prepared to lose their entire investment in the Camshaft Funds.

No Market for Shares/Interests. Although amounts may be redeemed/withdrawn from the Camshaft Funds on a periodic basis according to the terms set forth in the applicable agreement, shares/interests may not be assigned, pledged or otherwise transferred without the prior written consent of the Firm. There is no market for the shares/interests, and none is expected to develop. Shares/interests will not be registered under the securities laws of any jurisdiction and will be subject to strict restrictions on resale and transferability. Therefore, investors must be prepared to bear the risk of their investment in the Camshaft Funds for a substantial period of time.

Reliance on Key Person. The Camshaft Funds is substantially dependent on the services of Camshaft. In the event of the death, disability, departure or insolvency of Mr. Morton, the business of the Camshaft Funds may be adversely affected. Mr. Morton will devote such time and effort as he deems necessary for the management and administration of the Camshaft Funds' business. However, Mr. Morton may engage in various other business activities in addition to managing the Camshaft Funds, and consequently Mr. Morton may not devote his complete time to the business of the Camshaft Funds.

Effect of Substantial Redemptions/Withdrawals. A number of events could result in substantial redemptions/withdrawals from the Camshaft Funds. Actions taken to meet such redemptions/withdrawals requests could result in a decrease in the prices of equities (listed and unlisted, private and public, common and preferred), fixed income securities, sovereign debt, futures (including commodity futures), over-the-counter physical commodities, foreign exchange forward and spot contracts, digital assets and digital asset derivatives, American Depositary Receipts ("ADRs"), foreign exchange currencies, and other derivative contracts and transactions such as swaps (including interest rate swaps, credit default swaps, index credit default swaps, equity total return swaps, volatility or variance swaps, correlation swaps and commodity swaps), options, warrants, convertible securities, and cash or cash equivalents (such as treasury notes and bills, certificates of deposit, commercial paper, broker balances, bankers acceptances or repurchase agreements) (collectively, "Financial Instruments") held by the Camshaft Funds and an increase in expenses (*e.g.*, transaction costs and the costs of terminating agreements). The overall value of the Camshaft Funds may also decrease because the liquidation value of certain assets may be materially less than their mark-to-market value. The Camshaft Funds may be forced to sell its more liquid positions, may need to maintain greater amounts of cash and cash-equivalent investments than it would otherwise maintain and may also be restricted in its ability to obtain financing or derivatives counterparty relationships needed for certain investment and trading strategies, any of which could affect the Camshaft Funds adversely.

Performance-Based Compensation. In addition to sharing in profits on the basis of its capital, the Firm will be entitled to receive from each investor's account (paid by the Master Fund) a performance fee based on a percentage of the new net income, if any, in respect of such investor's account during a performance period. The performance fee can be characterized as creating an incentive to the Firm to make speculative investments and thus a potential conflict with the investments of the investors. Since the performance fee will be based upon portfolio gains, both realized and unrealized (net of realized and unrealized losses), it is possible that the Firm may receive a performance fee based upon unrealized appreciation in particular positions which is not in fact achieved upon eventual disposition of such positions. The fact that the performance fee is based on capital appreciation of the Camshaft Funds may create an incentive for the Firm to make investments that are more speculative than would be the case in the absence of such performance-based advisory compensation.

Share Value Calculation. The value of the dollar class shares will be calculated in U.S. Dollars.

Limited Regulatory Oversight. The Camshaft Funds is not registered as an "investment company" under the U.S. Investment Company Act of 1940, as amended (the "**Company Act"**) or any comparable regulatory requirements and does not intend to do so. Accordingly, the provisions of such regulations, which among other things generally require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be maintained in segregated accounts and regulate the relationship between the investment company and its asset manager, are not applicable to an investment in the Camshaft Funds. Notwithstanding the foregoing, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") imposes burdensome reporting and recordkeeping requirements on the Camshaft Funds. The Camshaft Funds intends to trade with dealers who will be required by regulation or will undertake to fulfill the Camshaft Funds' Dodd-Frank mandated reporting requirements. The costs associated with such compliance may result in certain investment strategies in which the Camshaft Funds engages, or may have otherwise engaged, becoming non-viable or non-economic to implement.

Investors Do Not Participate in Management. Except as outlined in the applicable offering documents investors, in their capacity as such, do not have the right to participate in the management of the Camshaft Funds or in the conduct of its business, whether by voting or otherwise. In general, the Firm is solely responsible for managing the Camshaft Funds and for the investment, sale and reinvestment of the Camshaft Funds' assets.

Risk of Litigation. In the ordinary course of business, the Camshaft Funds may be subject to litigation from time to time. In addition, as a result of certain investments, the Camshaft Funds could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of the Camshaft Funds, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Firm's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Service Provider Risks. The Camshaft Funds and the Firm are also reliant upon the proper performance of duties and obligations of their respective service providers. The Camshaft Funds may be adversely impacted in a material manner if one or more of the service providers to the Camshaft Funds or the Firm fail to adequately perform their functions. In addition, key activities undertaken in connection with the Firm's and the Camshaft Funds' operations may be concentrated in one or more service providers, which may expose the Camshaft Funds to risks if one or more of such service providers does not provide, or becomes incapable of providing services, in the normal course of business.

Institutional and Counterparty Risk. Institutions, such as brokerage firms, banks and broker dealers, generally have custody of the Camshaft Funds' portfolio assets and may hold such assets in "street name." The Camshaft Funds is subject to the risk that these firms and other brokers, counterparties or clearinghouses with which the Camshaft Funds deals may default on their obligations to the Camshaft Funds. Any default by any of such parties could result in material losses to the Camshaft Funds. Bankruptcy or fraud at one of these institutions could also impair the operational capabilities or the capital position of the Camshaft Funds. In addition, securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Camshaft Funds, causing the Camshaft Funds to be exposed to a credit risk with regard to such parties. The Camshaft Funds generally will only be an unsecured creditor of its trading counterparties in the event of bankruptcy or administration of such counterparties. In some jurisdictions, the Camshaft Funds may also only be an unsecured creditor of its brokers in the event of bankruptcy or administration of such brokers. The Camshaft Funds will attempt to limit its brokerage and custody transactions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks, but the collapse of the seemingly well capitalized and established Bear Stearns and Lehman Brothers demonstrates the limits on the effectiveness of this approach in avoiding counterparty losses.

The Camshaft Funds may effect transactions in over-the-counter ("**OTC**") and "interdealer" markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Camshaft Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Camshaft Funds to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or in instances where the Camshaft Funds has concentrated its transactions with a single or small group of counterparties. The inability to make complete and "foolproof" evaluations of the financial capabilities of the Camshaft Funds' counterparties and the absence of a regulated market to facilitate settlement increases the risk to the Camshaft Funds.

The Camshaft Funds are likely to have exposure to trading counterparties other than its prime brokers. If the Camshaft Funds deliver collateral to its trading counterparties under the terms of its ISDA Master Agreements and any other trading agreements, either by posting initial margin or on a daily mark-to-market basis, circumstances may arise where a counterparty may be over-collateralized and/or the Camshaft Funds may from time to time have uncollateralized mark-to-market exposure to a counterparty in relation to its rights to receive securities and cash. In both circumstances the Camshaft Funds will be exposed to the creditworthiness of any such

counterparty and, in the event of the insolvency of a trading counterparty, the Camshaft Funds will rank as an unsecured creditor in relation to amounts equivalent to any such over-collateralization and any uncollateralized exposure to such trading counterparty. In such circumstances it is likely that the Camshaft Funds will be unable to recover any debt in full, or at all.

The Camshaft Funds' contractual arrangements with its trading counterparties will typically contain termination provisions in the event of, among other things, a significant decline in the net asset value of the Camshaft Funds, calculated on a periodic basis, and/or a decline in the net asset value of the Camshaft Funds to an absolute floor. Termination of any such contractual arrangements could seriously impair the ability of the Camshaft Funds to carry on its investment activities.

In addition to the foregoing risks associated with a counterparty or prime broker defaulting or entering into a dispute, there is also the risk that major institutional investors in the Camshaft Funds may be compelled to withdraw or redeem or that the Camshaft Funds' counterparties or brokers will be required to restrict the amount of credit previously granted to the Camshaft Funds due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Camshaft Funds' investments.

The Camshaft Funds' brokers and other counterparties may hold the Camshaft Funds' assets, including assets held as collateral for margin loans or other financing provided to the Camshaft Funds. Under the terms of such arrangements and under applicable law, a secured party may be permitted to rehypothecate such assets in connection with securities lending or other transactions entered into by the secured party. Depending upon the types of instruments traded, the Camshaft Funds may be subject to risk of loss of its assets on deposit with a counterparty in the event of the bankruptcy or insolvency of such counterparty, any clearing broker through which such counterparty executes and clears transactions (whether on behalf of the Camshaft Funds or on behalf of other customers of such counterparty), any affiliate of such counterparty or any clearinghouse or exchange on which such counterparty trades (whether on behalf of the Camshaft Funds or on behalf of other customers of such counterparty).

The Camshaft Funds are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Firm to transact business with any one or number of counterparties, the lack of any meaningful or independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Camshaft Funds.

Illiquid Financial Instruments. Financial Instruments purchased by the Camshaft Funds may lack a liquid trading market, which may result in the inability of the Camshaft Funds to sell any such security or portfolio investment or to close out a transaction or to cover the short sale of a position, thereby forcing the Camshaft Funds to incur potentially unlimited losses in such instruments. This lack of liquidity and depth could be a disadvantage to the Camshaft Funds both in the realization of the prices that are quoted and the execution of orders at desired prices. In addition, Financial Instruments that are at one time marketable could become unmarketable (or more difficult to market) for a number of reasons. For example, in the case of securities traded on the NASDAQ National Market System, Inc., if the price of the securities falls below the minimum price required for continued trading, their marketability is likely to be adversely affected or

effectively eliminated altogether. In addition, most U.S. futures exchanges have established "daily price fluctuation limits" which preclude the execution of trades at prices outside of the limit, and, from time to time, the CFTC or the exchanges may suspend trading in market disruption circumstances. The daily limits establish the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price. Once the daily limit has been reached in a particular futures contract, no trades may be made at a price beyond the limit. In these cases, it is possible that the Camshaft Funds could be required to maintain a losing position that it otherwise would close and incur significant losses or be unable to establish a position and miss a profit opportunity. Illiquid Financial Instruments may also be more difficult to value. Liquidity risk arises in the general funding of the Camshaft Funds' trading activities. It includes the risk of the Camshaft Funds not being able to fund trading activities at settlement dates, or liquidate Financial Instrument positions in a timely manner at a reasonable price. The sale of illiquid Financial Instruments often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the OTC markets. The Camshaft Funds may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Finally, if a substantial number of investors were to redeem/withdraw from the Camshaft Funds and the Camshaft Funds did not have a sufficient amount of cash and liquid securities to satisfy in cash such requests, the Camshaft Funds might have to meet such redemption/withdrawal requests through distributions of illiquid Financial Instruments.

Certain positions are typically liquidated on or shortly before the effective redemption/withdrawal date. If there is a market dislocation, including a daily price fluctuation limit, affecting such position(s) on such date, the price of the position(s) used to determine the net asset value of the investor account may be substantially different than the amount for which the position(s) can ultimately be sold by the Master Fund (or the price that would have been in effect without such market dislocation). Shorter notice for a redemption/withdrawal may exacerbate this result. If a market dislocation exists on a date on which the Camshaft Funds attempts to liquidate positions to satisfy redemptions/withdrawals, the non- redeeming/withdrawing investors (and new subscribers, if any) would be adversely affected if the relevant portfolio positions are subsequently sold for less than the price assigned to the positions as of the redemption/withdrawal date. Alternatively, if the relevant portfolio positions are subsequently sold for greater value, then the redeeming/withdrawing investor would be adversely affected. These effects are exacerbated in the case of redemptions/withdrawals representing a significant percentage of the net asset value of the Camshaft Funds.

Where appropriate, certain positions in the Camshaft Funds' investment portfolio that are illiquid and do not actively trade are marked to market by the Firm, taking into account actual market prices, market prices of comparable investments and/or such other factors (*e.g.*, the tenor of the respective instrument) as the Firm deems appropriate. To the extent that marking an illiquid investment to market is not practicable, an investment will be carried at fair value, as reasonably determined by the Firm. There is no guarantee that fair value will represent the value that will be realized by the Camshaft Funds on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. As a result, an investor redeeming/withdrawing its investment from the Camshaft Funds prior to realization of such an investment may not participate in gains or losses therefrom.

Cybersecurity Breaches. The Camshaft Funds and the Firm are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data, as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Camshaft Funds may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; reputational damage; and increased and upgraded cybersecurity. Any such breach could expose the Firm and/or the Camshaft Funds to civil liability, as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions/withdrawals from the Camshaft Funds. In addition, investors could be exposed to additional losses as a result of unauthorized use of their personal information.

Evolving Privacy Laws. In the ordinary course of business, the Firm collects, processes, receives, shares and maintains personal information, including data relating to personnel and investors. As a result, the Firm is subject to various U.S. federal and state privacy and information security laws regulating personal information and creating potential liability for the mishandling, misuse or compromise of that personal information. These laws are evolving, and new legislation may be enacted over time. New privacy laws add additional complexity to compliance programs and alternative data use that may require additional investment in resources, and could impact trading strategies.

Limits of Disclosure. The descriptions in the Camshaft Funds' offering documents of the Firm's investment strategies, the markets and Financial Instruments in which the Camshaft Funds trades, the risk factors and conflicts of interest involved in doing so and other aspects of the Camshaft Funds' operations are subject to material inherent limitations and do not purport to be either complete or comprehensive. In investing in the Camshaft Funds, investors are entrusting their capital to the subjective, discretionary market judgment of the Firm, trading in changing, volatile and uncertain markets. No prospective investor should invest in the Camshaft Funds if such investor is not capable of understanding and evaluating the risks of such investment.

Risks Associated with the Camshaft Funds' Investment Strategies

Global Macro Strategies. The success of the Camshaft Funds' global macro investment strategy depends upon the Firm's ability to identify and exploit perceived fundamental, economic, financial and political imbalances that may exist in and between global markets across a variety of Financial Instruments and asset classes. The identification and exploitation of such imbalances and the prediction of price movements in these instruments involves significant uncertainties due to their reliance on various factors, including political, economic, international and environmental trends and events. There can be no assurance that the Firm will be able to identify investment opportunities or exploit such imbalances. The Camshaft Funds may incur substantial losses if the investment theses underlying the investment strategies or positions fail to develop as expected by the Firm.

Relative Value Strategy Risks. The success of the Camshaft Funds' relative value trading is dependent on the Firm's ability to exploit relative mispricing's among interrelated instruments. Although relative value positions may be considered to have a lower risk profile than directional trades as the former attempt to exploit price differentials not overall price movements, relative value investment strategies are by no means without risk. Mispricing's, even if correctly identified, may not converge within the time frame within which the Camshaft Funds maintains its positions. Even pure "riskless" arbitrage—which is rare—can result in significant losses if the arbitrage cannot be sustained (due, for example, to margin calls). International securities and markets may not move in correlation with each other or in directions anticipated by the Firm, so that hedging and arbitrage activities may not be successful. The Camshaft Funds' relative value investment strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its algorithms. Market disruptions may also force the Camshaft Funds to close out one or more positions. Such disruptions have in the past resulted in substantial losses for funds employing relative value investment strategies.

The profitability of relative value trading has been materially reduced in certain asset classes in the past decade— in part due to the number of market participants seeking to exploit the same mispricings.

Long/Short Strategies. The success of the Camshaft Funds' long/short investment strategy depends upon the Firm's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Camshaft Funds' long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Camshaft Funds' positions were to fail to converge toward, or were to diverge further from, values expected by the Firm, the Camshaft Funds may incur losses. In the event of market disruptions, significant losses can be incurred which may force the Camshaft Funds to close out one or more positions. Furthermore, any valuation models used by the Firm, if applicable, to determine whether a position presents an attractive opportunity consistent with the Firm's long/short investment strategies may become outdated and inaccurate as market conditions change.

Currency Risk – FX Hedging. The Camshaft Funds intends to trade currencies for speculative or hedging purposes and may (but is not required to) use forward contracts and other Financial Instruments to seek to hedge against fluctuations in the relative value of the Fund's investments in respect of the Euro class shares and the GBP class shares. Hedging does not eliminate fluctuations in the value of the U.S. Dollar relative to the Euro or British Pounds Sterling or vice versa, or prevent losses if their relative values change, but rather establishes other positions designed to gain from those same developments, and such hedging transactions may also limit the opportunity for gain if the value of the U.S. Dollar should increase in relation to the Euro or British Pounds Sterling. As with other hedging transactions, currency hedging may result in a poorer overall performance and increased (rather than reduced) risk for the Camshaft Funds, the Euro class shares and the GBP class shares. There can be no guarantee that the Firm will be able to enter into suitable currency hedging transactions at a price and terms sufficient to protect the Camshaft Funds from a decline in the value of a particular currency and that such hedging transactions will be able to be executed at a time when the Camshaft Funds wishes to do so.

The Camshaft Funds may also invest a portion of its assets in equity securities, fixed income securities and other investments denominated in currencies other than the U.S. Dollar and in other Financial Instruments, the prices of which are determined with reference to currencies other than the U.S. Dollar. Currency markets are highly volatile, and currency trading is highly leveraged. For example, governments from time to time intervene, directly and by regulation, in the currency markets, with the specific intention of influencing the exchange rates. Currency markets are also, in general, highly interest rate sensitive, and may also be affected by trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Camshaft Funds may invest in currencies of Emerging Markets (as defined below), which may be less liquid than currencies of developed countries. There can be no guarantee that instruments suitable for hedging currency exchange rate changes will be available at the time when the Camshaft Funds wishes to use them or will be able to be liquidated when the Fund wishes to do so. Some currency risks are difficult or impossible to hedge, including for example the impact of exchange rate fluctuations on portfolio companies' businesses and macroeconomies. In some countries, the markets for certain of these hedging instruments are not highly developed or do not exist. To the extent certain currency exposure is not part of the Camshaft Funds' investment strategy as described above, the Firm may hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Opportunistic Investing. The Camshaft Funds will build a portfolio of both long and short equity investments where the investment team has identified potential for value from misunderstood or mispriced opportunities. Although the investment team conducts rigorous analysis of these opportunities, even if such an opportunity is correctly identified, such opportunity may not materialize within the time frame of which the Camshaft Funds maintains its positions, may take considerable time to occur or may result in an alternative strategic action that will result in closing the investment at a lower value than entry. Market liquidity constraints, borrowing availability and short squeezes can all have a material impact on the Camshaft Funds' investments and can require action to liquidate or exit positions at less than optimal levels.

General market disruptions may force the Camshaft Funds to close out one or more positions before the Camshaft Funds can capture gains or when the Camshaft Funds' trades would result in losses. Such disruptions have in the past resulted in substantial losses for investment funds.

Any long investments in financially troubled issuers carry a potential risk of loss by the Camshaft Funds. Among the problems involved in assessing and making investments in troubled issuers is the fact that it frequently may be difficult to obtain information as to the condition of such issuer. The market prices of the securities of such issuers are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market prices of such securities to reflect their intrinsic values. It is anticipated that some of such securities in the portfolio of the Camshaft Funds may not be widely traded, and that the Camshaft Funds' position in such securities may be substantial in relation to the market for such securities.

These types of investing requires active monitoring and may, in rare instances, require participation in bankruptcy or reorganization proceedings by the Firm. To the extent that the Firm becomes involved in such proceedings, the Camshaft Funds may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, the Firm's participation in such proceedings may restrict or limit the Camshaft Funds' ability to trade securities of the subject company. The Camshaft Funds may have limited ability to influence the management of the issuer or to elect a representative to the issuer's board of directors or other governing body, potentially increasing the risk of such investments. In addition, the management of the issuer or its shareholders may have economic or business interests which are inconsistent with those of the Camshaft Funds, and they may be in a position to take action contrary to the Camshaft Funds' objectives.

Special Situations. The Camshaft Funds may have investments in issuers involved in (or the target of) acquisition attempts or tender offers or issuers involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Camshaft Funds of the security or other Financial Instruments in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Camshaft Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Camshaft Funds may invest, there is a potential risk of loss by the Camshaft Funds of its entire investment in such issuers.

Short Selling. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from declines in market prices of the sold securities to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Camshaft Funds of buying those securities to cover the short position. There can be no assurance that the Camshaft Funds will be able to maintain the ability to borrow securities sold short. In particular, (i) a tender offer or similar transaction with respect to a company whose securities the Camshaft Funds has sold short or (ii) an unexpected shortage in an underlying commodity with respect to commodity futures that the Camshaft Funds has sold short, could cause the value of such Financial Instruments to rise dramatically, resulting in substantial losses to the Camshaft Funds. Regulators have, and may in the future, suspend short sales in Financial Instruments traded by the Camshaft Funds, which may cause the price of such securities to rise, resulting in a loss to the Camshaft Funds. Brokers may also require the Camshaft Funds to "cover" a short position at an inopportune time thereby forcing the Camshaft Funds to purchase the security at the then-prevailing market price which may be higher than the price at which such security was originally sold short by the Camshaft Funds.

Market Data. The Firm's and the Camshaft Funds' investment strategies depend on a wide variety and large quantity of market data obtained from numerous hosts of different suppliers, including multiple exchanges. Notwithstanding the Firm's reliance on large quantities of market

data, sources of market data may decline over time, which could adversely impact the investment program of the Camshaft Funds. In addition, market data contract pricing and terms are complex and subject to change without prior notice in many cases; increases in market data contract pricing could make the acquisition of certain data cost-prohibitive for the Firm which would negatively impact the Camshaft Funds' net performance. If data that the Camshaft Funds relies on is corrupted, compromised or discontinued in any material manner, the Camshaft Funds may suffer material losses or be exposed to the risk of loss of investment opportunities.

Credit Ratings. Credit ratings of structured finance products, other fixed-income instruments and investments represent the rating agencies' opinions regarding their credit quality and are not a guarantee of future credit performance of such securities. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Further, in recent years many highly rated structured securities have been subject to substantial losses.

Discretionary Aspects of the Firm's Investment Approach. The Firm's strategies and research methodologies retain certain discretionary aspects. In particular, the discretion of the Firm is expected to be used throughout the research and creation of models, in interpreting data, choosing signals and ranking their importance. In addition, from time to time, the Firm may determine to make investment decisions or reallocate the Camshaft Funds' capital in respect of a particular asset class or investment strategy in anticipation of, or in reaction to, what the Firm deems to be certain "material events" in the global economy. Such "material events" include, but are not limited to, economic turning points, market regime changes, central bank announcements, geopolitical shifts and other material economic and market or risk events underlying the Camshaft Funds' investment strategies and in the Firm's view represent opportunities to enhance returns, reduce volatility or protect against potential drawdowns. There can be no assurances that such interventions will be successful or not increase the Camshaft Funds' losses attributable to such external events.

Use of Leverage. The investment strategies utilized on behalf of the Camshaft Funds generally involve the use of borrowed funds and otherwise obtaining leveraged exposures to Financial Instruments. Leverage in respect of certain investment strategies employed on behalf of the Camshaft Funds may be significant. Such leverage may be employed at the strategy level or the portfolio level. Use of leverage for investment purposes entails significant risks. Use of leverage tends to magnify the gains or losses from investment activities and the overall volatility of the Camshaft Funds. In addition, leverage results in interest expense and other costs and premiums. If gains earned by the Camshaft Funds' portfolio fail to cover such costs, the net asset value of the Camshaft Funds may decrease faster than if there had been no borrowings.

If securities pledged to brokers or other financial institutions to secure the Camshaft Funds' margin accounts decline in value, the Camshaft Funds could be subject to a "margin call," pursuant to which the Camshaft Funds must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The prime brokers and dealers that provide financing to the Camshaft Funds will determine the margin, haircut and collateral valuation policies that will apply to the Camshaft Funds from time to time.

Changes by prime brokers and dealers in margin, haircut, financing and valuation policies may result in margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Camshaft Funds will be able to maintain any financing, and at times, especially during distressed market conditions, brokers and dealers have substantially reduced the availability of credit. If the Camshaft Funds is unable to obtain financing on terms acceptable to the Firm, the Camshaft Funds could be forced to liquidate portfolio investments on a schedule that the Firm would not otherwise follow and incur significant losses.

Hedging. Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Camshaft Funds securities or other objective of the Firm; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Firm; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Camshaft Funds' position; and (v) default or refusal to perform on the part of the counterparty with which the Camshaft Funds trade. Furthermore, to the extent that any hedging strategy involves the use of OTC derivatives transactions, such a strategy would be affected by implementation of various regulations, including those adopted pursuant to Dodd-Frank.

The Firm will not, in general, attempt to hedge all market or other risks inherent in the Camshaft Funds' positions, and hedges certain risks, if at all, only partially. Specifically, the Firm may choose not, or may determine that it is economically unattractive, to hedge certain risks—either in respect of particular positions or in respect of the Camshaft Funds' overall portfolio. The Camshaft Funds' portfolio composition will commonly result in various directional market risks remaining unhedged. The Firm may rely on diversification to control such risks to the extent that the Firm believes it is desirable to do so; however, the Camshaft Funds is not subject to formal diversification policies.

The ability of the Camshaft Funds to hedge successfully will depend on the ability of the Firm to predict pertinent price movements or the underlying causes of such price movements, which cannot be assured. The Firm is not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as counterparty credit risk. Furthermore, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Emerging Market Investing. The Camshaft Funds may invest a portion of its assets in the securities of, or instruments providing exposure to, less developed countries or countries with new or developing capital markets ("Emerging Markets"), as well as trade the currencies of such countries to hedge currency exposure. The value of Emerging Markets currencies and securities may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on the Camshaft Funds, including nationalization, expropriation, sudden imposition of capital

controls, imposition of confiscatory taxation or regulatory or imposition of withholding or other taxes on interest payments.

Some of the countries in which the Camshaft Funds may invest have experienced political, economic and/or social instability. Many such countries have also experienced dramatic swings in the value of their national currency. There can be no assurance that such instability or such fluctuations will not occur in the future and, if they do occur, that they will not have a substantial adverse effect on the performance of the Camshaft Funds.

The economies of many of the Emerging Markets countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many Emerging Markets country economies have a high dependence on a small group of markets or even a single market. Emerging Markets countries also tend to have periods of high inflation and high interest rates, as well as substantial volatility in interest rates, which could affect the Camshaft Funds adversely.

Foreign investment in the Emerging Markets countries is in some cases restricted. Many of these countries have non-convertible currencies and the value of investments may be affected by fluctuation in available currency rates and exchange control regulations. The remittance of profits may therefore be restricted, and the Camshaft Funds may utilize swaps and other forms of indirect investment to access such markets. Moreover, the banking systems in these countries are not fully developed and considerable delays may occur in the transfer of funds within, and the remittance of monies out of, Emerging Markets countries.

Certain Emerging Markets countries are particularly likely to require identifying information about entities and persons who have direct, or even indirect, exposure to the securities of issuers in those countries. This may result in the Camshaft Funds being asked to provide information about investors to Emerging Markets regulators or to the brokers who are providing services to the Camshaft Funds in connection with trading activities. Such information may include, but may not be limited to, the identities, addresses and countries of origin of the investors.

Volatility. The market value of certain investments held by the Camshaft Funds may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, among other things, the macro business and economic environment, specific developments or trends in respect of a company or in any particular industry, the market’s overall perception of risk, general economic conditions, the condition of certain financial markets, domestic and international economic and political events, prevailing credit spreads, changes in prevailing interest rates and the financial condition of counterparties.

Interest Rate Risk. The Camshaft Funds is subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Firm may attempt to minimize the exposure of its portfolio to interest rate changes through the use of interest rate swaps, interest rate futures

and/or interest rate options. However, there can be no guarantee that the Firm will be successful in mitigating the impact of interest rate changes on its portfolio.

Potential Inability to Trade or Report Due to Systems Failure. The Firm's investment strategies rely extensively on a wide range of information technology systems, including computer hardware and software systems and will be dependent to a significant degree on the proper functioning of such internal and external computer systems. Information technology systems are subject to a number of inherent and unpredictable risks. Accordingly, systems failures, whether due to third-party failures upon which such systems are dependent or the failure of the Firm's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the Camshaft Funds to experience significant trading losses or to miss opportunities for profitable trading. Any such failures also could cause a temporary delay in reports to investors.

Availability of Investment Opportunities. There can be no assurance that the Firm will be able to find suitable opportunities consistent with its investment approach or that it believes will likely to provide the desired returns. Market conditions may limit the availability of investment opportunities. Such limitations may cause delays in deploying the Camshaft Funds' capital, concentration of the Camshaft Funds' investments and may negatively impact the Camshaft Funds' returns.

No Material Restrictions. The Firm will opportunistically implement whatever investment strategies it believes from time to time may be best suited to prevailing market conditions and to the Firm's investment approach, without material restrictions. Such investment strategies may involve higher levels of risk than the ones discussed herein. There can be no assurance that the Firm will be successful in applying any strategy to the Camshaft Funds' investing.

Risks Relating to Financial Instruments Traded

Futures. The rapid fluctuations in the market prices of futures interests make an investment in the Camshaft Funds volatile. Volatility is caused by changes in supply and demand relationships; weather; agricultural, trade, fiscal, monetary and exchange control programs; U.S. and non-U.S. political and economic events and policies; and changes in interest rates. If the Firm incorrectly predicts the direction of the price in a futures interest, large losses may occur and the Camshaft Funds could lose all or substantially all of its assets.

Futures prices are highly volatile and are affected by a wide variety of complex and hard to predict factors; consequently, a primary risk in trading these instruments is rapid fluctuations in market prices in a short time period. Price fluctuations may affect the Firm's ability to earn investment returns for the Camshaft Funds. Market volatility may also depart significantly from historical averages, which could affect performance. Volatility could create adverse results for the performance of the Camshaft Funds in several ways. A period of substantial volatility shortly after an investor's initial investment, or additional investments thereafter, could adversely affect performance and cause a significant reduction in such investor's equity, making it more difficult to achieve profitability. Substantial volatility prior to the time of a planned redemption/withdrawal

adversely affect performance, and could reduce the amount of proceeds actually received when the redemption/withdrawal has been completed.

Futures exchanges may impose position accountability limits (the "Position Accountability Limits") with respect to certain futures contracts traded on each particular futures exchange. Position Accountability Limits are triggers that would bring the Camshaft Funds' position(s) to the attention of the exchange. Through the application of Position Accountability Limits, exchanges can prohibit an investor from holding a position of more than a specific number of futures contracts. Under the rules of a futures exchange, if the Camshaft Funds holds a certain number of futures contracts approaching the Position Accountability Limit, the Camshaft Funds may be required by the futures exchange to limit or decrease its holdings of such futures contracts pursuant to the futures exchange's Position Accountability Limits. If the Camshaft Funds is required to either limit or decrease its holdings of such futures contracts, or if an exchange lowers its Position Accountability Limits, the Camshaft Funds may be adversely affected and may not be able to achieve its investment objective.

Non-U.S. Futures. Foreign futures transactions involve executing and clearing trades on non-U.S. futures exchanges. This is the case even if the foreign exchange is formally "linked" to a U.S. futures exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No U.S. organization regulates the activities of a foreign exchange, including the execution, delivery and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the Camshaft Funds may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

Credit Default Swaps. The Camshaft Funds may invest in credit default swaps ("**CDS**"). A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. Credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. In addition, credit default swaps can be used to implement the Firm's view that a particular credit, or group of credits, will experience credit improvement or credit impairment. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, and potential loss upon default, among other factors. As such, there are many factors upon which market participants may have divergent views.

The Camshaft Funds may also purchase or sell CDS on a basket of reference entities or an index. In circumstances in which the Camshaft Funds is the credit default swap buyer and does not own the debt securities that are deliverable under a CDS, the Camshaft Funds is exposed to the risk that deliverable securities will not be available in the market, or will be available only at

unfavorable prices, as would be the case in a so-called "short squeeze." While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will not be successful. As a seller of CDS, the Camshaft Funds incurs leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Camshaft Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. In addition, in the event that a cash settlement auction to identify the relevant deliverable securities, is not established the credit default swap buyer will have broad discretion to select which of the reference entity's debt obligations to deliver to the Camshaft Funds following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Camshaft Funds.

Equity Investments. The Camshaft Funds intends to invest in equity markets, which may involve substantial risks. Investments in equity markets are highly volatile and may be subject to wide and sudden fluctuations, with a resulting fluctuation in the Camshaft Funds' performance. Equity markets may decline due to factors affecting equity securities markets generally or particular industries represented in those markets. Factors affecting the equity markets include, without limitation, real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, political events or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity markets tend to be cyclical and may experience periods of turbulence. For the foregoing reasons, investments in equity markets can be highly speculative and carry a substantial risk of loss of principal.

The Camshaft Funds' single name equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Camshaft Funds may invest. Relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other Financial Instruments. Changes in the structure of the equity markets or new market participants may materially impede the Camshaft Funds' investment strategy.

Fixed Income Investments. The Camshaft Funds intends to invest in bonds and other fixed income securities of U.S. and non-U.S. issuers. The value of the fixed income securities in which the Camshaft Funds may invest changes both as general market conditions change and as the general levels of interest rates fluctuate. When interest rates decline, the value of the Camshaft Funds' fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities is generally expected to decline. Investments in lower rated or unrated fixed income securities in which the Camshaft Funds may invest, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities). Fixed

income securities are generally not exchange traded and therefore, usually carry a higher level of liquidity and mark-to-market risk potential than most exchange-traded equity securities.

The Camshaft Funds may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Camshaft Funds may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Camshaft Funds may invest in securities which are moral obligations of issuers or subject to appropriations. The Camshaft Funds will therefore be subject to credit and liquidity risks. In addition, evaluating credit risk for debt securities of issuers in some jurisdictions involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on debt instruments will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many fixed rate obligations will be discount instruments when interest rates and/or spreads are high, and will be premium instruments when interest rates and/or spreads are low, such debt instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Camshaft Funds' portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the Firm may have constructed for these investments, resulting in a loss to the Camshaft Funds' overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

High-Yield Securities. The Camshaft Funds may invest in high yield securities. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available

to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Corporate Debt. Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, the Camshaft Funds may be paid interest in kind in connection with its investments in corporate debt and related Financial Instruments (*e.g.*, the principal owed to the Camshaft Funds in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Camshaft Funds may experience substantial losses.

Mezzanine Debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of the Master Fund to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the insolvency of a portfolio company of the Master Fund or similar event, the Master Fund's debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Non-Performing Nature of Debt. Certain debt instruments may be non-performing or in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to such debt instruments.

Troubled Origination. When financial institutions or other entities that are insolvent or in serious financial difficulty originate debt, the standards by which such instruments were originated, the recourse to the selling institution, or the standards by which such instruments are being serviced or operated may be adversely affected.

Obligations of Governments, their Agencies and Instrumentalities. The Camshaft Funds intends to invest in government securities. Government securities are obligations of, or are guaranteed by, governments, their agencies or instrumentalities. These instruments include bills, certificates of indebtedness and notes and bonds issued by governments, states, municipalities or by government agencies or instrumentalities. Some government securities, such as U.S. Treasury bills and bonds, are supported by the full faith and credit of the government treasury; others are supported by the right of the issuer to borrow from the government treasury; others are supported by the discretionary authority of the government to purchase the agency's obligations; still others

are supported only by the credit of the instrumentality. Certain events, including bankruptcy filings by certain municipalities, have highlighted the risks inherent in investing in government securities. It is difficult, if not impossible, to determine the extent to which such filings will become more common. Bankruptcy laws applicable to governments are relatively untested and may not provide the same protections to creditors as those contained in bankruptcy laws applicable to non-government debtors. It is impossible to predict whether the Partnership will be able to successfully avoid losses relating to defaults by issuers of governmental securities.

Various factors may adversely affect the value and yield of municipal securities. These factors include imbalances in demand, potential legislative changes, as well as uncertainties related to the tax status of municipal bonds or the rights of others holding these securities. Returns will depend on a positively sloped yield curve and the relationship between the tax-exempt and taxable yield curves. Adverse changes in the slope of the municipal bond yield curve as well as its relationship to the taxable yield curve, among other things, could have a material adverse effect on performance. Investments in municipal securities may be subject to liquidity risk because of the fragmentation of the municipal bond market and the unique effect that political, legislative and/or regulatory actions can have on the municipal bond market, compared to the taxable markets.

The Camshaft Funds intends to invest in sovereign debt issued or guaranteed by U.S. and non-U.S. governments, their agencies and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. Investments in sovereign debt are subject to varying degrees of credit risk depending on the level of government support. Certain sovereign debt securities are supported by the full faith and credit of the national government or political subdivision or agency, while others lack such support. Investments in sovereign debt are also subject to varying degrees of credit risk as a result of financial or political instability in the relevant countries. Certain events, such as the political and economic instability in various European Union (the "EU") countries, have highlighted the risks inherent in investing in sovereign debt, including an EU member choosing to leave the Eurozone and redenominating its debt. The unwillingness of one or more EU countries to provide assistance to distressed sovereigns within the EU underlines the unexpected political dynamics that may arise to undermine investor expectations regarding the safety of sovereign debt.

Additionally, the financial markets are roiled from time to time by evolving developments relating to possible sovereign defaults or moratoriums. A sovereign's financial condition is subject to numerous factors—social programs, political pressure, supra-national economic actions—all or many of which may be exogenous to the Firm's analysis and research and may from time to time dominate market pricing (even if contrary to fundamental/trading dynamic pricing correctly identified by the Firm). It is impossible to predict whether the Camshaft Funds will be able to successfully avoid losses relating to sovereign default. There is no current means of collecting on defaulted sovereign debt as part of bankruptcy or other proceedings.

In addition to general default risk relating to sovereign debt, if the Camshaft Funds invests in sovereign debt denominated in a currency other than U.S. Dollars (or in respect of which payments of principal or interest are paid in a currency other than U.S. Dollars), the Camshaft Funds will be exposed to the risk that one or more jurisdictions may impose currency controls that

would limit the Camshaft Funds' ability to convert such payments of principal or interest to U.S. Dollars. It is impossible to predict whether any such currency controls will be imposed.

Countries or territories (including Venezuela, Russia, Argentina, Puerto Rico, Turkey and Lebanon) have encountered, or are currently encountering, difficulties in servicing their external national or government debt obligations, which led to defaults on government obligations and the restructuring of certain indebtedness. One sovereign default may have an adverse effect on the markets of both the defaulting country or territory and non-defaulting countries and/or territories.

Repurchase and Reverse Repurchase Agreements. The Camshaft Funds may enter into repurchase and reverse repurchase agreements. When the Camshaft Funds enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Camshaft Funds "buys" securities from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Camshaft Funds, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Camshaft Funds involves certain risks. For example, if the seller of securities to the Camshaft Funds under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Camshaft Funds will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Camshaft Funds' ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Camshaft Funds may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Camshaft Funds may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

Distressed Securities. The fact that certain of the companies in whose securities the Camshaft Funds may invest are in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Camshaft Funds' investment in any instrument, and a significant portion of the obligations and preferred stock in which the Camshaft Funds invests may be less than investment grade.

Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. Although the Camshaft Funds invests in select companies that, in the view of the Firm, have the potential over the long-term for capital growth, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility

that the Camshaft Funds may incur substantial or total losses on its investments. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers.

Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many of the Camshaft Funds' portfolio investments may not be widely traded and that the Camshaft Funds' investment in such securities may be substantial relative to the market for such securities. As a result, the Camshaft Funds may experience delays and incur losses and other costs in connection with the sale of its portfolio securities.

Derivative Instruments. The Camshaft Funds will use various derivative financial instruments for both hedging and synthetic investing. Derivative financial instruments include credit derivatives, interest rate swaps, total return swaps, options, forward currency contracts and futures. In addition, the Camshaft Funds may from time to time use both exchange-traded and OTC futures and options as part of its investment strategy and for hedging purposes. Such derivative instruments may be highly volatile, involve certain special risks and expose investors to a high risk of loss.

The risks relating to OTC derivatives that are not otherwise cleared through a central clearing party include, but are not limited to, the following: (i) credit risk (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset or commodity); (iii) legal risk (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) systemic risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the Financial Instruments hedged; (ii) imperfect correlation between movements in the Financial Instruments on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited. See also "*Short Selling*," "*Options*" and "*Leverage*."

Transactions in OTC derivatives may involve other risks as well. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Lastly, regulatory restraints may restrict the notional amount of instruments that the Camshaft Funds may trade.

***Swaps*.** The Camshaft Funds may enter into swap agreements (including total return and foreign exchange swaps) and other types of OTC transactions with broker-dealers or other financial institutions. Depending on their structures, swap agreements may increase or decrease the Camshaft Funds' exposure to various securities, commodities, indices, currencies or other investments or units of measure. The values of the Camshaft Funds' swap positions would increase or decrease depending on the changes in value of the underlying asset.

Total return swaps typically involve commitments to pay interest in exchange for a market-linked return, both based on notional amounts. Depending on the change in the value or level of the underlying instrument, basket of instruments, or index, the Camshaft Funds will either receive or make a payment based on the amount of the change. To the extent the total return of the instrument, basket of instruments, or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Camshaft Funds will receive a payment from or make a payment to the counterparty, respectively.

The use of swaps involves investment techniques and risks different from and potentially greater than those associated with ordinary securities transactions. Swaps involve the risk that the price of the swap used by the Camshaft Funds to calculate net asset value does not accurately reflect its fair market value, which could have a favorable or unfavorable effect on the net asset value of the Camshaft Funds. Some swaps are complex and, in the case of bilateral (uncleared) swaps, may be valued based on quotations given by the Camshaft Funds' swap counterparty, who has adverse interests to the Camshaft Funds with respect to the value of the swap. In certain cases related to bilateral (uncleared) swaps, the Camshaft Funds' swap counterparty may be the only source of value quotations for a swap, while in other cases, multiple quotes may be available. There are also different methodologies that may be used to determine the value of a credit default swap and credit default swap spreads may be wide. As a result of the foregoing factors, the Camshaft Funds may not be able to close out swaps at the price used by the Camshaft Funds to calculate its net asset value. Also, under certain circumstances related to bilateral (uncleared) swaps, if a swap counterparty undervalues the Camshaft Funds' interest in a swap, it could require the Camshaft Funds to transfer greater amounts of collateral to the counterparty than if the swap was valued at fair market value.

Because the master and credit support agreements for bilateral (uncleared) OTC swap transactions are individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (*e.g.*, the definition of default) differently when the Camshaft Funds seeks to enforce its contractual rights. If that occurs, the Camshaft Funds may be

forced to seek to enforce its contractual rights through legal proceedings, which may be costly and time consuming.

There is currently little case law characterizing total rate of return swaps and other derivatives, interpreting their provisions and characterizing their tax treatment. There can be no assurance that future decisions construing similar provisions to those in many of the Camshaft Funds' swap agreements or other related documents or additional regulations and laws governing such derivatives will not have a material adverse effect on the Camshaft Funds.

The CFTC requires certain derivative transactions that were previously executed on a bi-lateral basis in the OTC markets to be executed through a regulated futures or swap exchange or execution facility. The SEC is also expected to impose similar requirements on certain security-based derivatives in the near future, though it is not yet clear when these parallel SEC requirements will go into effect. Such requirements may make it more difficult and costly for investment funds, including the Camshaft Funds, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Camshaft Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. If the Camshaft Funds decides to execute derivatives transactions through such exchanges or execution facilities—and especially if it decides to become a direct member of one or more of these exchanges or execution facilities—the Camshaft Funds would be subject to the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential requirements under applicable regulations and under rules of the relevant exchange or execution facility.

With respect to cleared OTC derivatives, the Camshaft Funds will not face a clearinghouse directly but rather through an OTC derivatives dealer that is registered with the CFTC or SEC to act as a clearing member. The Camshaft Funds may face the indirect risk of the failure of another clearing member customer to meet its obligations to its clearing member. Such scenario could arise due to a default by the clearing member on its obligations to the clearinghouse, triggered by a customer's failure to meet its obligations to the clearing member.

Options. The Camshaft Funds may engage in the trading of options. Trading options is highly speculative and may entail risks that are greater than investing in other securities. The value of options will be affected by market volatility and prices of options are generally more volatile than prices of other securities. Furthermore, specific market movements of the securities underlying an option cannot accurately be predicted.

In trading options, the Firm speculates on market fluctuations of securities and securities indices (or other indices, such as credit indices) while investing only a small percentage of the value of the securities underlying such option. A change in the market price of the underlying securities or underlying market index will cause a much greater change in the price of the option contract. In addition, to the extent that the Camshaft Funds purchases options that it does not sell or exercise, the Camshaft Funds will suffer the loss of the premium paid in such purchase. To the extent the Camshaft Funds sells uncovered options and must deliver the underlying securities at the option price, the Camshaft Funds has a theoretically unlimited risk of loss if the price of such underlying securities increases. If the Camshaft Funds must buy those underlying securities, the Camshaft Funds risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will

be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

Stock Index Options. The Camshaft Funds may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the Camshaft Funds' portfolio correlates with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Camshaft Funds realizes gains or losses from the purchase or writing of options on indices depends upon movements in the level of prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Camshaft Funds of options on stock indices will be subject to the Firm's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments.

Forward Contracts. The Camshaft Funds may enter into forward contracts, generally for currency hedging purposes. In the absence of exchange trading and the involvement of clearing houses, there are no standardized terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardized provisions available through any futures contract. In addition, as two party obligations for which there is no secondary market, forward contracts involve counterparty risk not present with futures.

Foreign Securities and Foreign Currencies. The Camshaft Funds may invest in securities of foreign issuers (including by entering into total return swap and similar Financial Instruments), securities denominated in foreign currencies, and depository receipts, such as ADRs, which are receipts typically issued by a U.S. bank or trust company and which evidence ownership of underlying securities of non-U.S. corporations. Investing in foreign securities, currencies, and/or ADRs may present a greater degree of risk than investing in domestic securities and currencies due to possible exchange rate fluctuations, a change in trade balances, possible exchange controls, less publicly-available information, more volatile markets, less regulation, less favorable tax provisions (including possible withholding taxes), war or expropriation. In particular, the dollar value of portfolio securities of non-U.S. issuers fluctuates with changes in market and economic conditions abroad and with changes in relative currency values. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in foreign securities.

The Camshaft Funds may trade on exchanges located outside the United States. Trading on U.S. exchanges is subject to SEC and CFTC regulation and oversight, as applicable, including, for example, minimum capital requirements for commodity brokers, regulation of trading practices on the exchanges, prohibitions against trading ahead of customer orders, prohibitions against filling orders off exchanges, prescribed risk disclosure statements, testing and licensing of industry sales personnel and other industry professionals, and recordkeeping requirements. Trading on foreign exchanges is not regulated by the SEC, CFTC or any other U.S. governmental agency or

instrumentality and may be subject to regulations that are different from those to which U.S. exchange trading is subject, provide less protection to investors than trading on U.S. exchanges, and may be less vigorously enforced than regulations in the United States. Positions on foreign exchanges also are subject to the risk of exchange controls, expropriation, excessive taxation or government disruptions.

Commodities. Trading commodities and commodity interests (e.g., futures contracts on commodities, securities indices or currencies) is highly speculative and may entail risks that are greater than the risks associated with investing in equity securities. Prices of commodity interests are generally more volatile than prices of equity securities and such volatility is expected to reoccur in the future. Because of the low margin deposits typically required in commodity contract trading, a relatively small movement in the market price of a commodity contract may result in a disproportionately large profit or loss to the Camshaft Funds. Market movements can be volatile and are difficult to predict. Weather, inflation, trade policies, geopolitical events and other unforeseen events can also have a significant impact upon commodity prices. A variety of possible actions by various government agencies also can inhibit profitability or can result in losses. Such events could result in large market movements and volatile market conditions and create the risk of significant losses for the Camshaft Funds.

Market-Related and Regulatory Risks

Market Disruptions; Governmental Intervention. The global financial markets have in the past decade undergone pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Camshaft Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Camshaft Funds from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Camshaft Funds. Market disruptions may from time to time cause dramatic losses for the Camshaft Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") seeks to regulate markets, market participants and Financial Instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and Financial Instruments. Because the implementation of Dodd-Frank is ongoing, it is difficult to predict the ultimate impact of Dodd-Frank on the Camshaft Funds, the Firm and the markets in

which they trade and invest. Dodd-Frank and regulations adopted pursuant to Dodd-Frank could have a material adverse impact on the profit potential of the Camshaft Funds.

Effect of Speculative Position Limits. The CFTC and the United States commodities exchanges impose limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on United States commodities exchanges. For example, the CFTC currently imposes speculative position limits on a number of agricultural commodities (e.g., corn, oats, wheat, soybeans and cotton) and United States commodities exchanges currently impose speculative position limits on many other commodities. Dodd-Frank significantly expands the CFTC's authority to impose position limits with respect to futures contracts and options on futures contracts, swaps that are economically equivalent to futures or options on futures, and swaps that are traded on a regulated exchange and certain swaps that perform a significant price discovery function. In response to this expansion of its authority, in 2012, the CFTC proposed a series of new speculative position limits with respect to futures and options on futures on so-called "exempt commodities" (which includes most energy and metals contracts) and with respect to agricultural commodities. Those proposed speculative position limits were vacated by a United States District Court, but the CFTC has again proposed a new set of speculative position limit rules which are not yet finalized (or effective). If the CFTC is successful in its second attempt to establish speculative position limits, the size or duration of positions available to the Camshaft Funds may be severely limited. All accounts owned or managed by the Firm are likely to be combined for speculative position limit purposes. Thus, the Camshaft Funds could be required to liquidate positions it holds in order to comply with such limits, or may not be able to fully implement trading instructions in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Camshaft Funds.

European Market Infrastructure Regulation. The European Market Infrastructure Regulation ("EMIR") introduced certain requirements in respect of derivative contracts, which apply to varying degrees to entities established in the EU, regardless of whether they are transacting with counterparties established in the EU or outside of the EU. As such, where the Camshaft Funds transacts with EU counterparties, they will likely require the transaction to be EMIR-compliant, with the result that the Camshaft Funds becomes subject to additional obligations and/or costs that may not otherwise have applied.

Broadly, EMIR's requirements in respect of derivative contracts are (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts; and (iii) reporting and record-keeping requirements in respect of all derivative contracts. The application of these requirements is dependent on the classification of the counterparties as financial counterparties ("FCs"), non-financial counterparties above the clearing threshold ("NFC+s") or non-financial counterparties below the clearing threshold ("NFC-s").

The EU regulatory framework and legal regime relating to derivatives comprises not only EMIR but also includes a package of legislation, technical standards and related guidance collectively known as MiFID II as described below.

Prospective investors should be aware that there may be ongoing costs (whether direct or indirect) of compliance with EMIR, and that EMIR may adversely affect the Camshaft Funds' ability to engage in certain derivative transactions.

MiFID II. The European Union Markets in Financial Instruments Directive ("MiFID") governs the provision of investment services and activities in relation to, as well as the organized trading of, financial instruments such as shares, bonds, units in collective investment schemes and derivatives. MiFID will be comprehensively revised and replaced by a new EU directive and regulation, collectively referred to as "MiFID II", from January 3, 2018. Although the Camshaft Funds is not organized in the EU, and is not authorized or regulated by any EU member state financial services regulator, certain aspects of MiFID II may have an impact on the Camshaft Funds.

MiFID II imposes certain restrictions as to the trading of shares and derivatives, which could apply to transactions made by or with the Camshaft Funds. Subject to certain conditions and exceptions, the Camshaft Funds may be unable to trade shares or derivatives with affected counterparties other than as provided by MiFID II. MiFID II also applies position limits to the size of a net position that a person can hold at all times in commodity derivatives traded on EU trading venues and in "economically equivalent" OTC derivatives.

More generally, EU regulated firms that have trading relationships with the Camshaft Funds may be obliged by MiFID II to impose certain requirements on the Camshaft Funds, or they may seek to do so contractually, with a view to satisfying their own compliance obligations. It is difficult to predict the full impact of MiFID II on the Camshaft Funds. Prospective investors should also be aware that there may be costs (whether direct or indirect) of compliance with MiFID II.

EU Short Selling Regulation. On November 1, 2012, the EU Regulation on Short Selling and Certain Aspects of Credit Default Swaps (the "SSR") became directly applicable in all member states of the EU. The SSR applies to short sales of, and short positions relating to, the issued share capital of companies whose shares are admitted to trading on a regulated market or multilateral-trading facility in the EU (unless the principal trading venue for the relevant shares is located in a country outside the EU) ("EU listed shares"), among other types of investments. The SSR imposes certain private and public disclosure obligations in respect of short positions in EU listed shares which apply to all natural or legal persons, irrespective of regulatory status, located inside or outside the EU. The SSR also contains prohibitions on uncovered short sales of EU listed shares in certain circumstances. National regulators, and in certain circumstances, the European Securities and Markets Authority, are able to take certain additional emergency measures (including complete bans on short-selling activities) if certain conditions are met. The SSR may prevent the Firm from fully expressing negative views in relation to EU listed shares. Accordingly, the ability of the Firm to implement the investment approach and fulfill the investment objective of the Camshaft Funds may be constrained.

International Investing. Investing outside the United States may involve greater risks than investing in the United States. Investing in emerging and certain non-U.S. markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include, without limitation: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and

political uncertainty, including civil and ethnic unrest, war, abrupt changes in political and economic power, changes in government institutions and policies or famine; (iii) potentially higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) capital controls, such as limitations on the ability to exchange local currencies for U.S. Dollars, and trade restrictions, including quotas, tariffs, customs, duties and other assessments, which may lead to significant costs and delays in obtaining licenses, approvals and authorizations; (viii) increased likelihood of governmental involvement in and control over the economy, issuers and financial markets; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) preferential treatment of local interests over foreign interests by the government, including legislators, regulators and courts; (xi) differences in auditing and financial reporting standards which may result in the unavailability of reliable, current or detailed information about issuers; (xii) less extensive or more extensive regulation of the markets; (xiii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiv) greater correlation to commodity price movements; (xv) imposition of withholding or other taxes on dividends, interest, capital gains, gross sales or disposition proceeds or other income; (xvi) higher transaction costs; and (xvii) certain considerations regarding the maintenance of the Camshaft Funds' securities with non-U.S. brokers and securities depositories. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Camshaft Funds are uninvested and no return is earned thereon. The inability of the Camshaft Funds to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the Camshaft Funds to miss investment opportunities. The inability to dispose of a security due to settlement problems could result either in losses to the Camshaft Funds due to subsequent declines in the value of such security or, if the Camshaft Funds has entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies.

The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, interest rates, resources, self-sufficiency and balance of payments position.

United Kingdom Membership of the European Union. The United Kingdom ("**UK**") ceased to be a member of the EU on January 31, 2020 ("Brexit"). During a prescribed period (the "**Transition Period**"), certain transitional arrangements were in effect, such that the UK continued to be treated, in most respects, as if it were still a member of the EU, and generally remained

subject to EU law. On December 24, 2020, the EU and the UK reached an agreement in principle on the terms of certain agreements and declarations governing the ongoing relationship between the EU and the UK, including the EU-UK Trade and Cooperation Agreement (the "**Agreement**"), and on December 30, 2020, the Council of the European Union adopted a decision authorizing the signature of the Agreement and its provisional application for a limited period between January 1, 2021 to February 28, 2021, pending ratification of the Agreement by the European Parliament. The Transition Period ended on December 31, 2020. The Agreement is limited in its scope primarily to the trade of goods, transport, energy links and fishing, and uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries. The actual or potential consequences of Brexit, and the associated uncertainty, could adversely affect economic and market conditions in the UK, in the EU and its member states and elsewhere, and could contribute to instability in global financial markets.

Current Political Uncertainty. Some of the results of recent elections and referenda have been unexpected and resulted in material market changes and increases in market uncertainty. Given recent changes in administrations and applicable law following such recent elections and referenda, the future of current regulations, or the adopting of new regulations, is also uncertain. While these uncertainties may create investments opportunities for the Camshaft Funds, such uncertainties could alternatively have adverse impacts on the Camshaft Funds. Predicting the outcome of political processes and events is inherently difficult and uncertain. If the Firm fails to anticipate political events or predicts them incorrectly, it may cause the Camshaft Funds to miss investment opportunities or incur losses. There may be detrimental implications for the value of certain of the Camshaft Funds' investments in certain markets, its ability to enter into transactions or to value or realize its investments or otherwise to implement its investment program or the Firm's investment strategies.

Risk of Natural Disasters, Epidemics and Terrorist Attacks. Countries and regions in which the Camshaft Funds invests, where the Firm has offices or where the Camshaft Funds or the Firm otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect the Camshaft Funds' investment program or the Firm's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which the Camshaft Funds invests or could affect the countries and regions in which the Camshaft Funds invests, where the Firm has offices or where the Camshaft Funds or the Firm otherwise do business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which the Camshaft Funds invests.

COVID-19. The recent global outbreak of the novel coronavirus (COVID-19) is currently creating unprecedented economic and social uncertainty throughout the world. The ultimate impact of the COVID 19 outbreak is difficult to predict, but it is likely that COVID-19 will have a materially adverse impact on global, national and local economies in the immediate future and that such negative impact is likely to persist for some time. In particular, disruptions to commercial

activity across economies due to the imposition of quarantines, remote working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact the Camshaft Funds' investments. Similar disruptions may occur in respect of the Firm's and the Camshaft Funds' service providers and counterparties (including providers of financing), which could also negatively impact the Camshaft Funds. While there are indications of various governmental responses to the potential negative effects of COVID-19, it is unclear how effective these responses will be and what other impacts such responses may have on the overall performance of markets or the Camshaft Funds.

ERISA Matters. Most pension and profit sharing plans, individual retirement accounts and other tax-advantaged retirement funds are subject to provisions of the Code, ERISA, or both, which may be relevant to a decision as to whether such an investor should invest in the Camshaft Funds. There may, for example, be issues as to whether such an investment is "prudent." Legal counsel should be consulted by such an investor before investing in the Camshaft Funds.

AN INVESTMENT IN CAMSHAFT AND THE CAMSHAFT FUNDS IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. INVESTMENTS INCLUDING THE RISK THAT THE ENTIRE INVESTMENT MAY BE LOST. NO GUARANTEE OR REPRESENTATION IS MADE THAT THE FUNDS' INVESTMNENT OBJECTIVES WIL BE ACHIEVED.

Item 9. Disciplinary Information

This Brochure, as dated on page 1, reflects that there are no material legal or disciplinary events that have occurred with respect to Camshaft or management persons within the past 10 years.

Item 10. Other Financial Industry Activities and Affiliations

Camshaft is exempt from registration as a commodity pool operator ("**CPO"**) and a commodity trading advisor ("**CTA**") with the Commodities Future Trading Commission ("CFTCF").

As described above in Items 5 and 6, Camshaft receives asset-based and performance-based compensation from the Funds. The amounts payable to Camshaft are based directly on the net asset value of the Funds. To the extent that valuation of assets is determined based upon information provided by Camshaft, because there is, for example, no public market price available, there may be a conflict of interest. Camshaft will value such assets in accordance with its valuation policies and procedures.

Camshaft, and other professionals of Camshaft (directly or through its affiliates) may make, and in some cases have made, a capital contribution to one or more of the Funds and, therefore, may be viewed as having an incentive to favor such Funds over other Clients, including pooled investment vehicles in which Camshaft or such persons are not invested (which may include other Camshaft Funds). Camshaft routinely waives the applicable management fees and performance fees for Camshaft-affiliated investors.

Certain of the above conflicts may also be generally addressed through adherence with Camshaft's compliance policies and procedures and its Code of Ethics.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Camshaft has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act (the "**Code of Ethics**"). All "access persons" (including employees, managers and officers) of Camshaft must comply with the Code of Ethics. The Code of Ethics states that Camshaft personnel must always place the interests of Camshaft's Clients first. The Code of Ethics sets forth standards of conduct expected of Camshaft's personnel, which reflect the fiduciary obligations of Camshaft and its personnel to its Clients, and requires Camshaft's personnel to comply with applicable federal securities laws. The Code of Ethics also requires each employee of Camshaft to report potential violations of the Code of Ethics promptly to Camshaft's Chief Compliance Officer (the "**CCO**"). Camshaft provides each employee with a copy of the Code of Ethics upon commencement of employment and any amendments as required., Employees are required to provide a written acknowledgement that they have received the Code of Ethics, including any amendments no less than annually.

Camshaft's CCO receives copies account statements for all of its access persons who maintain brokerage accounts no less than quarterly. In addition, each access person must submit to the CCO an annual acknowledgement and certification stating that the access person will comply with the Code of Ethics. The Code of Ethics further requires access persons to submit quarterly transaction reports (or duplicate brokerage statements) that detail the access person's securities transactions for each quarter, for the CCO to review. Finally, the Code of Ethics also contains restrictions on the use of insider information and material non-public information regarding Clients.

Camshaft keeps records of reports and other information that access persons are required to submit under the Code of Ethics. The CCO reports on issues that arise under the Code of Ethics to Camshaft's senior management at least annually. Clients and prospective Clients can obtain a copy of the Code of Ethics upon request by contacting Camshaft by telephone at (305) 619-1383 or by email to william@camshaftcapital.com.

As described above in Item 10, Camshaft and certain of its management personnel, employees or affiliates will have a financial interest in investments made by one or more of the Camshaft Funds through their participation in such Funds as a managing member, investment manager, administrative member, director or investor, as applicable. Camshaft and such persons may, therefore, be viewed as having an incentive to favor such Funds over other Clients, including Funds in which such persons are not invested.

In addition, Camshaft may solicit Clients to invest in Camshaft Funds for which Camshaft and certain of its management personnel, employees or affiliates serve as managing member, administrative member, investment manager or director, as applicable, and/or have a financial interest. Additionally, because certain of the Funds for which Camshaft acts as managing member, investment manager or director may invest in other Funds for which Camshaft acts in a similar capacity, Camshaft may be deemed to be recommending to such Funds that they buy securities in which Camshaft and such Camshaft-related persons have a financial interest and/or securities that

Camshaft and such Camshaft-related persons also buys for themselves (*i.e.*, interests in other Funds). To address these potential conflicts, Funds will not bear a double-layering of asset-based fees or performance-based fees in connection with their investment in other Camshaft Funds. Each Fund will, however, be responsible for its *pro rata* share of the expenses of the other Fund in which it invests.

Certain of the above conflicts are generally addressed through adherence to Camshaft's Compliance Manual and its Code of Ethics.

Item 12. Brokerage Practices

Camshaft is responsible for determining what securities will be purchased and sold for each Client and selecting the broker-dealer to execute transactions on behalf of Clients. Purchases and sales of securities for a Client must be made in accordance with the investment objectives, strategies and policies of such Client.

It is Camshaft's policy to seek best execution on behalf of its Clients – that is, Camshaft seeks to achieve the best overall qualitative execution for a Client in a particular circumstance. Best execution is not synonymous with the lowest brokerage commission. Camshaft may cause a Client to pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction if it determines that the commission paid was reasonable in relation to the value of the services provided by the broker.

In seeking to achieve best execution, Camshaft considers the full range and quality of services a broker may provide, including ,but not limited to, the experience and skill of the broker's securities traders; the broker's accessibility to primary markets and quotation services; for NASDAQ securities, whether a broker makes a market in that security; a broker's past history of successful, prompt and reliable execution of client trades; the financial strength and stability of the broker; the broker's administrative efficiency; commission rates; the overall net economic result to a client (involving both price paid or received and any commissions and other costs paid); the security price and its volatility; the size of the transaction, including the ability to effect the transaction at all where a large block is involved; the broker's availability to execute possibly difficult transactions in the future; and the receipt of research services. In addition, for purposes of monitoring best execution, Camshaft generally performs comparisons between executed prices and volume-weighted average prices each trading day for each broker.

Camshaft generally does not utilize "soft dollars" or "pay-up" for research. "Soft dollars" refers to Camshaft's receipt of research or other products or services other than execution from brokers. Camshaft may receive, without cost and unrelated to the execution of securities transactions, a broad range of research services from broker-dealers, including information on the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and legal interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may affect the economy and/or security prices. Camshaft may also pay broker-dealers and their affiliates for certain specialized data and services, such as benchmark information, that are also unrelated to the execution of securities transactions.

In the event that Camshaft were to receive any "soft dollar" benefits, however, Camshaft expects that they would qualify under the safe harbor provided for under Section 28(e) of the Securities Exchange Act of 1934, as amended. If Camshaft were to use Client brokerage commissions (or markups or markdowns) to obtain "soft dollar" benefits, such as research or other products or services, it would receive a benefit because it does not have to produce or pay for the research, products or services. Consequently, Camshaft would have an incentive to select or recommend a broker-dealer based on its interest in receiving "soft dollar" benefits, rather than on its Clients' interest in receiving most favorable execution.

Camshaft does not consider, in selecting or recommending broker-dealers, any Client referrals it may receive from a broker-dealer or third party. Camshaft does not recommend, request or require that a Client direct the execution of transactions through a specified broker-dealer, nor does it have any arrangement in which it permits a Client to direct transactions to a specific broker-dealer.

Despite the highly customized nature of its advice, Camshaft may on occasion purchase or sell the same securities for more than one Client account at the same time or same day, and in so doing will allocate investment opportunities and trades fairly. "Fair" treatment does not mean identical treatment of all Clients. Rather, it means that Camshaft does not discriminate on an impermissible basis against one Client or group of Clients. When Camshaft transacts securities for more than one Client account, the investment opportunities and trades must be allocated in a manner consistent with Camshaft's fiduciary duties and in accordance with the Firm's investment allocation procedures.

Camshaft may combine or "bunch" orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Camshaft's Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Camshaft's determination with respect to allocations will be based on what is appropriate under the particular circumstances, and the allocation may be made based upon relevant factors, which may include: (i) cash availability and need; (ii) suitability; (iii) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (iv) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (v) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (vi) with respect to sale allocations, allocations may be given to accounts low in cash; (vii) in cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Camshaft may exclude the account(s) from the allocation and the transactions may be executed on a *pro rata* basis among the remaining accounts; or (viii) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. For equity investments, generally, each Client will receive the same average price as other participants in the bunched transaction.

Clients may pay more when Camshaft does not aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple Clients may negatively affect market price, transaction commissions and/or trade execution. A Client's non-participation in bunched trades may result in lost opportunities to execute securities transactions for such Client's account that other Clients participating in bunched trades were able to execute.

Item 13. Review of Accounts

Camshaft's Managing Director and one or more members of Camshaft's investment team review positions in Camshaft Fund accounts on an ongoing basis to monitor the Camshaft Funds' compliance with the investment objectives and guidelines described in the Funds' offering documents. The accounts of Camshaft Fund investors are valued monthly by the administrator, who forwards an account statement to Fund investors on a monthly basis. Investors in the Funds may receive other periodic and annual written reports as set forth in the applicable Fund's offering documents. Camshaft also conducts meetings with Clients and investors in the Funds upon request. Any Managed Account Clients will receive the written reporting provided for in the Managed Account Agreement governing such accounts, if applicable.

Item 14. Client Referrals and Other Compensation

Camshaft does not receive an economic benefit from any person who is not a Client for providing investment advice or other advisory services.

Camshaft may, from time to time, enter into arrangements with third parties for marketing and solicitation activities. If Camshaft pays a cash fee to anyone for soliciting separate account Clients on its behalf, Camshaft will comply with the requirements of the SEC's Marketing Rule (Rule 206(4)-1 under the Advisers Act) to the extent applicable. This rule requires, among other things, a written agreement between the investment adviser and the person soliciting Clients on its behalf, and that the soliciting person provide a disclosure document to the potential Client at the time that the solicitation is made. Camshaft may pay a portion or percentage of the compensation that it receives from Clients for investment advisory services to a third-party, but this will not result in any Client being charged fees at a rate in excess of the rate of fees that Camshaft customarily charges for similar services to comparable accounts, nor will Camshaft charge any Client any other amount for the purpose of offsetting the cost of obtaining an account through a third-party referral.

Item 15. Custody

Generally, Camshaft does not have custody of Client assets other than the assets of the Camshaft Funds. Camshaft acts as managing member or investment manager of the Camshaft Funds and is authorized under the Funds' governing documents to deduct fees from each Fund investor's account. Such powers cause Camshaft to be deemed to have custody of the Camshaft Funds' assets for purposes of the SEC's custody rule. Accordingly, to meet the requirements of the custody rule, the Camshaft Funds are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board and the audited financial statements are distributed to investors in the Funds within 90 days of the Funds' fiscal year end (in accordance with rules required of registered commodity pool operators).

In the event that Camshaft has any Managed Account Clients in the future, it generally expects that it will not have custody over the assets of such accounts. Managed Account Clients will receive quarterly account statements from the qualified custodian for their accounts and should carefully review those statements. Camshaft generally will not provide statements to Managed Account Clients, except if specifically requested or in certain limited circumstances. Any Managed Account Clients who receive account statements from Camshaft should compare those statements with the account statements received from the qualified custodian.

Item 16. Investment Discretion

Camshaft has discretionary authority over the investment activities of its Clients. In the case of the Funds, this discretionary authority is generally granted to Camshaft pursuant to the organizational documents of each Fund and/or pursuant to Camshaft's investment advisory agreement with such Fund. For any Managed Account Clients, discretionary authority is granted to Camshaft pursuant to a Managed Account Agreement, which may impose restrictions on this discretion and specify the types of investments permitted. Camshaft is obligated to exercise its investment discretion in a manner consistent with the stated investment objectives, policies, guidelines and restrictions/limitations for a particular Client account.

Item 17. Voting Client Securities

Camshaft has the authority to vote all proxy proposals and corporate actions (collectively, "**proxies**") on behalf of the Funds it advises, and may be delegated the authority to vote proxies held in any Managed Accounts that it may advise in the future. However, depending on the securities in which its Clients are invested, Camshaft may not frequently vote proxies. To the extent that Camshaft invests in a security for a Client for which a proxy vote may arise and Camshaft receives timely notice of such proxy from the Client's prime broker under the terms of the applicable prime broker agreement, Camshaft is guided by general fiduciary principles and will seek to treat proxies in a manner intended to enhance the overall economic value of the applicable Client's assets. Camshaft may (and often does) refrain from voting a Client's proxy under certain circumstances, including, but not limited to, when (i) the economic effect on shareholder's interests or the value of the portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. In addition, Camshaft may refrain from voting a proxy on behalf of its Clients' accounts due to (1) *de minimis* holdings; (2) *de minimis* impact on the portfolio; (3) items relating to non-U.S. issuers (such as those described below); (4) contractual arrangements with Clients; and/or (5) their authorized delegates or the failure of a proxy to provide sufficient information to allow for informed decision making. For example, Camshaft may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may have a detrimental effect on Camshaft's ability to vote the proxy. These issues may include, but are not limited to: (a) proxy statements and ballots being written in a foreign language; (b) untimely notice of a shareholder meeting; (c) requirements to vote proxies in person; (d) restrictions on non-U.S. person's ability to exercise votes; (e) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting (*e.g.*, share blocking); or (f) requirements to provide local agents with power of attorney to facilitate the voting instructions. Any actual or apparent conflict of interest between the interests of Camshaft and its Clients is

resolved in a manner that is consistent with the best interests of Clients and in a manner not affected by such actual or apparent conflict of interest.

Camshaft currently does not permit Clients to direct its vote in a particular solicitation.

Item 18. Financial Information

Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

EXHIBIT 14

State of Florida

IN GOD WE TRUST

Department of State

I certify the attached is a true and correct copy of the annual report(s)/uniform business report(s) for the year(s) 2024 for CAMSHAFT CAPITAL ADVISORS, LLC, a limited liability company, organized under the laws of the State of Florida, as shown by the records of this office.

The document number of this company is L20000224206.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Twenty-seventh day of February, 2024

GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

Cord Byrd
Secretary of State

CR2E022 (01-11)

2024 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

FILED
Feb 09, 2024
Secretary of State
9999846985CC

DOCUMENT# L20000224206

Entity Name: CAMSHAFT CAPITAL ADVISORS, LLC

Current Principal Place of Business:

1200 BRICKELL AVE, SUITE 310
MIAMI, FL 33131

Current Mailing Address:

16850 COLLINS AVE #112408
SUNNY ISLES BEACH, FL 33160 US

FEI Number: 85-2638234

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

C T CORPORATION SYSTEM
1200 SOUTH PINE ISLAND ROAD
PLANTATION, FL 33324 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: ______________________________

Electronic Signature of Registered Agent — Date

Authorized Person(s) Detail :

Title	MGR
Name	MORTON, WILLIAM
Address	16850 COLLINS AVE #112408
City-State-Zip:	SUNNY ISLES BEACH FL 33160

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: WILLIAM MORTON MANAGER 02/09/2024

Electronic Signature of Signing Authorized Person(s) Detail — Date

EXHIBIT 15

State of Florida

Department of State

I certify the attached is a true and correct copy of the annual report(s)/uniform business report(s) for the year(s) 2024 for CAMSHAFT CAPITAL MANAGEMENT, LLC, a limited liability company, organized under the laws of the State of Florida, as shown by the records of this office.

The document number of this company is L20000224176.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Twenty-seventh day of February, 2024

Cord Byrd
Secretary of State

CR2E022 (01-11)

2024 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

FILED
Feb 09, 2024
Secretary of State
6881969539CC

DOCUMENT# L20000224176

Entity Name: CAMSHAFT CAPITAL MANAGEMENT, LLC

Current Principal Place of Business:

1200 BRICKELL AVE
SUITE 310
MIAMI, FL 33131

Current Mailing Address:

16850 COLLINS AVE #112408
SUNNY ISLES BEACH, FL 33160 US

FEI Number: 85-2568572

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

C T CORPORATION SYSTEM
1200 SOUTH PINE ISLAND ROAD
PLANTATION, FL 33324 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent — Date

Authorized Person(s) Detail :

Title	MGR
Name	MORTON, WILLIAM
Address	16850 COLLINS AVE #112408
City-State-Zip:	SUNNY ISLES BEACH FL 33160

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: WILLIAM MORTON MANAGER 02/09/2024

Electronic Signature of Signing Authorized Person(s) Detail — Date

EXHIBIT 16


1200

EXHIBIT 17


BRICKELL 21
FINANCIAL CENTRE

EXHIBIT 18


BRICKELL 21
FINANCIAL CENTRE
CAMSHAFT

EXHIBIT 19

EXHIBIT 20

CAMSHAFT CAPITAL

CAMSHAFT CAPITAL ADVISORS, LLC
18555 COLLINS AVE SUITE #5405
SUNNY ISLES BEACH, FL 33160
TELEPHONE: 305-619-1383

WWW.CAMSHAFTCAPITAL.COM

April 2023

This brochure provides information about the qualifications and business practices of Camshaft Capital Advisors. LLC ("Camshaft" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (305) 619-1383 and/or email: william@camshaftcapital.com The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Camshaft also is available on the SEC's website at www.adviserinfo.sec.gov.

Camshaft is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

<u>Item 2.</u> Material Changes

This is the initial Brochure filing for Camshaft Capital Advisors, LLC. Going forward this Item will be updated with each annual amendment.

The information set forth in this Brochure is qualified in its entirety by reference to a Client's Governing Documents (as defined herein) and/or offering documents. In the event of a conflict between the information set forth in this Brochure and the information set forth in a Client's Governing Documents and/or offering documents, the Client's Governing Documents and/or offering documents shall take precedence.

Item 3. Table of Contents

<u>Item 4.</u> Advisory Business

For the purposes of this Brochure, the "**Adviser**", "Camshaft: or the "**Investment Manager"** means Camshaft Capital Advisors, LLC. The Investment Manager, owned by William Morton, is a limited liability company organized under the laws of the State of Florida and has been providing investment advisory services since 2020. Camshaft Capital Management, LLC is the General Partner of Camshaft Capital Fund LP. Mr. Morton acts as the managing member of Camshaft Capital Management, LLC.

Currently, Camshaft manages and provides discretionary investment advisory services to the Camshaft Capital Fund, LP (as defined below in this Item 4 under "**Funds**"). In addition, Camshaft may serve as a discretionary investment adviser to invest the assets of a privately offered pooled investment vehicle managed by an unaffiliated third-party pursuant to a trading advisory agreement (the "**<u>Third-Party Fund</u>**" and, together with the Camshaft Funds, the "**<u>Funds</u>**"). Camshaft may also provide investment advisory services to entities or pooled investment vehicles on a managed account basis (each such arrangement, a "**Managed Account**," and the entity(ies) funding a Managed Account, a "**Managed Account Client**"). For the purposes of this brochure, a "**Client**" refers to a Fund (but not the investors in a Fund) and/or a Managed Account Client, as the context requires.

As of December 31, 2022, Camshaft had $595,845,395 in regulatory assets under management. Camshaft does not currently manage any Client assets on a non-discretionary basis. Camshaft does not participate in any wrap fee programs.

<u>Managed Account Arrangements</u>

As of the date of this brochure, Camshaft has no Managed Account arrangements. However, in the event that Camshaft were to enter into a Managed Account arrangement in the future, then Camshaft would develop investment guidelines based upon the Managed Account Client's specific investment objectives. Managed Account advisory services would be governed by a written agreement ("**Managed Account Agreement**") between Camshaft and the Managed Account Client. Camshaft would manage any such Managed Accounts under a broad range of potential mandates. Managed Account Clients would be permitted to amend their investment guidelines as their needs change or impose restrictions or limitations on investing in certain securities or types of securities.

<u>Item 5.</u> Fees and Compensation

A management fee is paid monthly in advance to the General Partner. The management fee is equal to three percent (3%) per annum of the beginning capital account balance of each Limited Partner for such month. The General Partner may, in its sole discretion, enter into arrangements with Limited Partners under which the management fee is reduced, waived or calculated differently with respect to such Limited Partners, including, without limitation, Limited Partners that are members, affiliates or employees of the General Partner, members of the immediate families of such persons and trusts or other entities for their benefit, or Limited Partners that make substantial investment or otherwise are determined by the General Partner in its sole discretion to represent a strategic relationship.

To the extent that there is a shared expense among any of the Camshaft Funds, on the one hand, and Camshaft, on the other hand, Camshaft will allocate the expense among such Camshaft Fund(s) and itself in a manner that it determines is fair and equitable under the circumstances to all parties.

See Item 6 below for more information concerning performance-based fees.

Managed Accounts

Camshaft presently does not have, and thus receives no fees from, any Managed Account Clients. In the event that Camshaft were to advise a Managed Account in the future, it may be paid a management fee and/or a performance fee by such Managed Account in accordance with the terms of the applicable Managed Account Agreement.

Additional Expenses

In addition to the management fees and the performance-based fees described above, the Camshaft Funds (and, indirectly, the investors therein) will pay such additional expenses as are disclosed in the Camshaft Funds' applicable offering documents. The expenses to be paid by each Camshaft Fund vary and may include, among others, the following: transaction costs and investment-related expenses incurred in connection with the Funds' trading activities, including securities and futures brokerage, clearing, margin interest (if any), custodial expenses, and any non-U.S. mutual fund expenses; all U.S. and non-U.S. legal, regulatory and compliance fees and expenses (including, but not limited to, blue sky compliance, compliance with the Alternative Investment Fund Managers Directive, MIFID, the EEA and FATCA), accounting, auditing, tax preparation, expenses relating to the offering and sale of the Shares, and registration fees and expenses as well as related fees and expenses (including, but not limited to, legal fees or other fees and expenses related to: the preparation and filing of Form PF, CFTC and NFA Form CPO-PQR, NFA Form CTA-PR and NFA Form PR, the applicable portion of Camshaft's fees and expenses incurred in connection with preparing and filing Form ADV that are allocable to a Camshaft Fund, and any other SEC, CFTC and/or NFA filings and registrations or other filings that are made with respect to the Funds or assets of the Funds; related requirements under the Dodd-Frank Act, and U.S. Department of the Treasury and U.S. Department of Commerce regulations; and registrations and related requirements of foreign regulators); expenses associated with the continued offering of shares, which include, but are not limited to, marketing, travel and other solicitation expenses; operational expenses such as the administrator's charges, fees and expenses, trade support systems, the directors' charges and expenses, photocopying, facsimile, postage, and telephone expenses; research and research-related costs, consulting fees, fees and charges (such as data feeds, news, Fund reports, brokerage reports, software licenses, ongoing development, implementation, updating and support of software licenses, bank service fees, third-party trading and/or portfolio-related services and support, including software costs such as order management, risk management and similar systems, software costs relating to order management, and Bloomberg terminals and services); legal fees and due diligence expenses, related to the analysis purchase or sale of investments, whether or not the investment is consummated; Camshaft Fund related insurance costs (including a portion of D&O and E&O insurance for Camshaft, if applicable), extraordinary expenses (such as, litigation costs and indemnification obligations), if any; the Performance Fee and the Management Fee (defined below) paid to Camshaft; Cayman Islands government fees and director registration fees and other equivalent expenses; and interest in connection with

investment-related borrowings. In addition, each Fund will bear its *pro rata* share of all expenses related to any pooled investment vehicle(s) (including, but not limited to, the Master Fund) in which such Fund invests; such charges may include management fees, performance fees, ordinary operating expenses (such as administration, legal, accounting and other operational costs) and extraordinary expenses (such as litigation costs and indemnification obligations), provided that such Fund will not bear a double-layering of asset-based fees or performance-based compensation in connection with its investment in another Camshaft Fund. Therefore, it is possible that a Fund may bear a portion of any such expense even though it may not directly benefit therefrom. Funds also pay the fees and expenses of their prime brokers, futures commission merchants and administrators.

As described further in the respective offering documents for the Camshaft Funds, generally, Camshaft will bear certain overhead expenses of operating the Camshaft Funds which otherwise would be allocable to the Camshaft Funds.

Although Camshaft presently does not have any Managed Account Clients, any future Managed Account Clients of Camshaft may be expected to pay additional expenses similar to those described above, to the extent applicable, subject to the specific terms of the applicable Managed Account Agreement.

Please see Item 12 below for a discussion of Camshaft's brokerage practices.

Additional Information About Fees and Expenses

The specific manner in which Camshaft charges management fees, performance-based fees, and expenses is established in each Client's written agreement with Camshaft. Camshaft investors may consult the applicable Fund's offering memorandum and governing documents for a description of these charges. Generally, pursuant to the applicable governing documents for each Fund, management fees and performance-based fees are deducted directly from each investor's account with the relevant Fund. Management fees, if any, are generally paid monthly in arrears. Performance fees, if any, are paid at the end of the fiscal year to which the fee pertains or upon a redemption from a Fund or a termination of a Managed Account.

The foregoing fees and expenses may be negotiable, reduced, rebated or waived in certain circumstances, including with respect to Clients or Fund investors that are employees of Camshaft and other persons that are affiliated with Camshaft or its affiliates.

Item 6. Performance-Based Fees and Side-By-Side Management

Currently, Camshaft's Clients are generally charged both a management fee and a performance fee. The performance fees are structured to comply with Section 205 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Performance-based compensation arrangements may create an incentive for Camshaft to make investments that are riskier or more speculative than would be the case in the absence of a financial incentive based on the performance of a Client's account. Performance-based compensation arrangements may also create an incentive for Camshaft to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. When Camshaft

transacts securities for more than one Client account, the investment opportunities and trades must be allocated in a manner consistent with Camshaft's fiduciary duties. Camshaft will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of capital under management by Camshaft or different amounts of investable cash available or different investment guidelines, financing arrangements and/or dealer relationships. As a result, although Camshaft manages portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Camshaft presently does not have, and thus receives no fees from, any Managed Account Clients. If in the future Camshaft were to advise a Managed Account alongside the Camshaft Funds, it is possible that Camshaft may take different positions in the same or related securities for such Clients, such as selling certain securities short for a Camshaft Fund while a Managed Account simultaneously holds the same or related securities long. In such case, Camshaft will adopt and execute side-by-side management procedures in an effort to mitigate these potential conflicts.

Item 7. Types of Clients

Camshaft currently provides investment advice only to the Camshaft Funds. However, Camshaft may advise additional or different types of entities in the future.

Each Camshaft Fund is not registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"), in reliance on the exemption provided by Section 3(c)(7) of the 1940 Act. In addition, each Camshaft Fund's interests or shares (as applicable) are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state "blue-sky" laws; rather, they are privately offered only to qualified purchasers and accredited investors pursuant to an exemption from registration under Regulation D under the Securities Act. Each investor in the Fund must be (1) an "accredited investor" as defined in Regulation D under the Securities Act, (2) a "qualified purchaser" as defined in the 1940 Act and the regulations under the 1940 Act, and (3) a "United States person" as defined under the Internal Revenue Code of 1986, as amended (the "Code"). Each investor in the Fund that is a "United States person" (as defined in the Code) must be (1) an "accredited investor," as defined in Regulation D under the Securities Act, (2) a "qualified purchaser" or "knowledgeable employee" as defined in the 1940 Act and the rules under the 1940 Act (and thus a "qualified client" within the meaning of the Advisers Act), and (3) exempt from U.S. federal income tax under Section 501 of the Code or otherwise. Each other investor in the Fund must not be a "U.S. person," as defined in Regulation S under the Securities Act, or a "United States person" as defined in the Code, and must be a "Non-United States person" as defined in Regulation 4.7 under the U.S. Commodity Exchange Act, as amended. The minimum investment in each Fund, subject to waiver, is $2,500,000.

If a Client or potential Client would like to open a Managed Account, the conditions for starting and maintaining a Managed Account will vary with the circumstances of each Managed Account and be negotiated and set forth on an individual basis in the relevant Managed Account Agreement.

<u>Item 8.</u> Methods of Analysis, Investment Strategies and Risk of Loss

The methods of analysis and investment strategies used by Camshaft in managing Camshaft Fund assets are summarized below. The methods of analysis and investment strategies that Camshaft would use to manage assets of any Managed Account Clients would vary depending on the needs of each Managed Account Client, but are expected to be comparable to those summarized below for the Camshaft Funds. In addition, the material risks involved with each significant investment strategy and method of analysis is explained below.

<u>Methods of Analysis and Investment Strategies</u>

The methods of analysis and investment strategies used by Camshaft in managing assets are summarized below. Investors and prospective investors in a Camshaft Fund should review the offering memorandum Fund in which they are invested (or are seeking to invest) for additional information about the strategies and risks associated with an investment in such Fund. For information concerning the sub-strategies identified below, please refer to the confidential offering memorandum of the applicable Camshaft Fund.

- *Leverage and Short Selling*. The Fund may from time to time engage in short selling. Selling securities short runs the risk of losing an amount greater than the amount invested. Short selling is subject to theoretically unlimited risk of loss because there is no limit on how much the price of the stock may appreciate before the short position is closed out. A short sale may result in a sudden and substantial loss if, for example, an acquisition proposal is made for the subject company at a substantial premium over market price. Furthermore, the Fund at times will trade securities on a leveraged basis, i.e., where the security can be purchased by putting up only a portion of the instrument's face value and borrowing the remainder (margin). As a result, a relatively small price movement in a security may result in immediate and substantial losses to the Fund. In addition, trading on margin will result in interest charges to the Fund which may be substantial. Leveraged investments, including any purchase or sale of securities on margin, may result in losses in excess of the amount invested.

- *Trading in Distressed Securities and Highly Leveraged Companies*. The strategies of the General Partner and the Investment Advisers may entail investments in distressed securities and highly leveraged companies. An investment in these types of securities and companies, by the nature of their leveraged capital structure, will involve a high degree of financial risk. Such risks include, but are not limited to, the following: (a) difficulty in identifying attractive investment opportunities; (b) subordination to substantial amounts of senior indebtedness, all or a signification portion of which may be secured; (c) the possibility of substantial changes in rights and covenants which could result in less protection for the Fund with respect to securities purchased in proceedings under Chapter 11 of the US Bankruptcy Code; and (d) the lack of regulation of the OTC Market (in which distressed securities often are traded) by any exchange, and the lack of any established market-making, margin or other requirements that would help to insure a viable trading market exists for a particular security.

- *Illiquidity of Markets*. At various times, the markets for securities interests purchased or sold by the Fund may be "thing" or illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. For example, securities exchanges and the

SEC have authority to suspend trading in a particular security without notice. In addition, the Fund may invest in private placements of securities that are not registered under the Act and may have little to no trading market.

- *Investing in Illiquid Securities*. The Fund may from time to time invest in unregistered securities of public companies and at times in the securities of private companies, including without limitation, limited partnerships, the securities of which may be, and often are, illiquid. While no more that 10% of the Fund's portfolio may be invested in illiquid securities, the Fund may be forced to hold a larger cash reserve than normal as a precaution in the event of a large number of withdrawal requests by Limited Partners within a short period of time.

- *Other Investment Strategies*. Camshaft may also pursue other investment strategies as it deems appropriate, including, but not limited to: long/short equity investing, investing and trading in futures, foreign currency instruments, options, total-return swaps, stock indices and exchange-traded funds or other derivative financial instruments.

<u>Material Risks</u>

An investment in the Camshaft Funds involves substantial risks, including, but not limited to, those described below. The following information is not intended to be an exhaustive listing of all potential risks associated with an investment in the Camshaft Funds. There can be no assurance that the Camshaft Funds will realize their investment objective or return any capital. Shares/interests are a potentially suitable investment only for sophisticated investors for whom an investment in the Camshaft Funds does not represent a complete investment program and who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks of an investment in the shares/interests.

Note that, while this section may refer to risks of trading by the Camshaft Funds, all of the Camshaft Funds' trading activities occur at the level of the Master Fund. In addition, references in this section to possible actions undertaken by the Camshaft Funds and the risks related to the operation of the Camshaft Funds should be read to include references to possible actions undertaken by the Master Fund and the risks related to the operation of the Master Fund.

Prospective investors should give careful consideration to the following factors in evaluating the merits and suitability of an investment in the Camshaft Funds:

<u>Risks Relating to the Camshaft Funds and the Offering of Shares/Interests</u>

Limitations on Past Performance. Camshaft Funds' past performance is by no means necessarily representative of how the Camshaft Funds will perform. While certain individuals of the Firm have substantial experience investing in certain types of opportunities that the Camshaft Funds pursues, there can be no assurance that the Camshaft Funds or the Master Fund will generate performance results equivalent to the past results generated by the Firm or that the Camshaft Funds will avoid losses. Market conditions and trading approaches are continually changing, and the fact that certain individuals of the Firm may have achieved certain positive performance in the past may be largely irrelevant to the Camshaft Funds' prospects for profitability. The Camshaft Funds'

past performance has been, and is expected to continue to be, highly volatile. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

Potential Loss of Investment. An investment in the Camshaft Funds involves a high degree of risk. There can be no assurance that the Camshaft Funds' investment objective will be achieved. There is a risk that an investment in the Camshaft Funds will be lost entirely or in part. The Camshaft Funds is not a complete investment program and should represent only a portion of an investor's portfolio. Investors must be prepared to lose their entire investment in the Camshaft Funds.

No Market for Shares/Interests. Although amounts may be redeemed/withdrawn from the Camshaft Funds on a periodic basis according to the terms set forth in the applicable agreement, shares/interests may not be assigned, pledged or otherwise transferred without the prior written consent of the Firm. There is no market for the shares/interests, and none is expected to develop. Shares/interests will not be registered under the securities laws of any jurisdiction and will be subject to strict restrictions on resale and transferability. Therefore, investors must be prepared to bear the risk of their investment in the Camshaft Funds for a substantial period of time.

Reliance on Key Person. The Camshaft Funds is substantially dependent on the services of Camshaft. In the event of the death, disability, departure or insolvency of Mr. Morton, the business of the Camshaft Funds may be adversely affected. Mr. Morton will devote such time and effort as he deems necessary for the management and administration of the Camshaft Funds' business. However, Mr. Morton may engage in various other business activities in addition to managing the Camshaft Funds, and consequently Mr. Morton may not devote his complete time to the business of the Camshaft Funds.

Effect of Substantial Redemptions/Withdrawals. A number of events could result in substantial redemptions/withdrawals from the Camshaft Funds. Actions taken to meet such redemptions/withdrawals requests could result in a decrease in the prices of equities (listed and unlisted, private and public, common and preferred), fixed income securities, sovereign debt, futures (including commodity futures), over-the-counter physical commodities, foreign exchange forward and spot contracts, digital assets and digital asset derivatives, American Depositary Receipts ("ADRs"), foreign exchange currencies, and other derivative contracts and transactions such as swaps (including interest rate swaps, credit default swaps, index credit default swaps, equity total return swaps, volatility or variance swaps, correlation swaps and commodity swaps), options, warrants, convertible securities, and cash or cash equivalents (such as treasury notes and bills, certificates of deposit, commercial paper, broker balances, bankers acceptances or repurchase agreements) (collectively, "Financial Instruments") held by the Camshaft Funds and an increase in expenses (*e.g.*, transaction costs and the costs of terminating agreements). The overall value of the Camshaft Funds may also decrease because the liquidation value of certain assets may be materially less than their mark-to-market value. The Camshaft Funds may be forced to sell its more liquid positions, may need to maintain greater amounts of cash and cash-equivalent investments than it would otherwise maintain and may also be restricted in its ability to obtain financing or derivatives counterparty relationships needed for certain investment and trading strategies, any of which could affect the Camshaft Funds adversely.

Performance-Based Compensation. In addition to sharing in profits on the basis of its capital, the Firm will be entitled to receive from each investor's account (paid by the Master Fund) a performance fee based on a percentage of the new net income, if any, in respect of such investor's account during a performance period. The performance fee can be characterized as creating an incentive to the Firm to make speculative investments and thus a potential conflict with the investments of the investors. Since the performance fee will be based upon portfolio gains, both realized and unrealized (net of realized and unrealized losses), it is possible that the Firm may receive a performance fee based upon unrealized appreciation in particular positions which is not in fact achieved upon eventual disposition of such positions. The fact that the performance fee is based on capital appreciation of the Camshaft Funds may create an incentive for the Firm to make investments that are more speculative than would be the case in the absence of such performance-based advisory compensation.

Share Value Calculation. The value of the dollar class shares will be calculated in U.S. Dollars.

Limited Regulatory Oversight. The Camshaft Funds is not registered as an "investment company" under the U.S. Investment Company Act of 1940, as amended (the "**Company Act"**) or any comparable regulatory requirements and does not intend to do so. Accordingly, the provisions of such regulations, which among other things generally require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be maintained in segregated accounts and regulate the relationship between the investment company and its asset manager, are not applicable to an investment in the Camshaft Funds. Notwithstanding the foregoing, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") imposes burdensome reporting and recordkeeping requirements on the Camshaft Funds. The Camshaft Funds intends to trade with dealers who will be required by regulation or will undertake to fulfill the Camshaft Funds' Dodd-Frank mandated reporting requirements. The costs associated with such compliance may result in certain investment strategies in which the Camshaft Funds engages, or may have otherwise engaged, becoming non-viable or non-economic to implement.

Investors Do Not Participate in Management. Except as outlined in the applicable offering documents investors, in their capacity as such, do not have the right to participate in the management of the Camshaft Funds or in the conduct of its business, whether by voting or otherwise. In general, the Firm is solely responsible for managing the Camshaft Funds and for the investment, sale and reinvestment of the Camshaft Funds' assets.

Risk of Litigation. In the ordinary course of business, the Camshaft Funds may be subject to litigation from time to time. In addition, as a result of certain investments, the Camshaft Funds could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of the Camshaft Funds, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Firm's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Service Provider Risks. The Camshaft Funds and the Firm are also reliant upon the proper performance of duties and obligations of their respective service providers. The Camshaft Funds may be adversely impacted in a material manner if one or more of the service providers to the Camshaft Funds or the Firm fail to adequately perform their functions. In addition, key activities undertaken in connection with the Firm's and the Camshaft Funds' operations may be concentrated in one or more service providers, which may expose the Camshaft Funds to risks if one or more of such service providers does not provide, or becomes incapable of providing services, in the normal course of business.

Institutional and Counterparty Risk. Institutions, such as brokerage firms, banks and broker dealers, generally have custody of the Camshaft Funds' portfolio assets and may hold such assets in "street name." The Camshaft Funds is subject to the risk that these firms and other brokers, counterparties or clearinghouses with which the Camshaft Funds deals may default on their obligations to the Camshaft Funds. Any default by any of such parties could result in material losses to the Camshaft Funds. Bankruptcy or fraud at one of these institutions could also impair the operational capabilities or the capital position of the Camshaft Funds. In addition, securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Camshaft Funds, causing the Camshaft Funds to be exposed to a credit risk with regard to such parties. The Camshaft Funds generally will only be an unsecured creditor of its trading counterparties in the event of bankruptcy or administration of such counterparties. In some jurisdictions, the Camshaft Funds may also only be an unsecured creditor of its brokers in the event of bankruptcy or administration of such brokers. The Camshaft Funds will attempt to limit its brokerage and custody transactions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks, but the collapse of the seemingly well capitalized and established Bear Stearns and Lehman Brothers demonstrates the limits on the effectiveness of this approach in avoiding counterparty losses.

The Camshaft Funds may effect transactions in over-the-counter ("**OTC**") and "interdealer" markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Camshaft Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Camshaft Funds to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or in instances where the Camshaft Funds has concentrated its transactions with a single or small group of counterparties. The inability to make complete and "foolproof" evaluations of the financial capabilities of the Camshaft Funds' counterparties and the absence of a regulated market to facilitate settlement increases the risk to the Camshaft Funds.

The Camshaft Funds are likely to have exposure to trading counterparties other than its prime brokers. If the Camshaft Funds deliver collateral to its trading counterparties under the terms of its ISDA Master Agreements and any other trading agreements, either by posting initial margin or on a daily mark-to-market basis, circumstances may arise where a counterparty may be over-collateralized and/or the Camshaft Funds may from time to time have uncollateralized mark-to-market exposure to a counterparty in relation to its rights to receive securities and cash. In both circumstances the Camshaft Funds will be exposed to the creditworthiness of any such

counterparty and, in the event of the insolvency of a trading counterparty, the Camshaft Funds will rank as an unsecured creditor in relation to amounts equivalent to any such over-collateralization and any uncollateralized exposure to such trading counterparty. In such circumstances it is likely that the Camshaft Funds will be unable to recover any debt in full, or at all.

The Camshaft Funds' contractual arrangements with its trading counterparties will typically contain termination provisions in the event of, among other things, a significant decline in the net asset value of the Camshaft Funds, calculated on a periodic basis, and/or a decline in the net asset value of the Camshaft Funds to an absolute floor. Termination of any such contractual arrangements could seriously impair the ability of the Camshaft Funds to carry on its investment activities.

In addition to the foregoing risks associated with a counterparty or prime broker defaulting or entering into a dispute, there is also the risk that major institutional investors in the Camshaft Funds may be compelled to withdraw or redeem or that the Camshaft Funds' counterparties or brokers will be required to restrict the amount of credit previously granted to the Camshaft Funds due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Camshaft Funds' investments.

The Camshaft Funds' brokers and other counterparties may hold the Camshaft Funds' assets, including assets held as collateral for margin loans or other financing provided to the Camshaft Funds. Under the terms of such arrangements and under applicable law, a secured party may be permitted to rehypothecate such assets in connection with securities lending or other transactions entered into by the secured party. Depending upon the types of instruments traded, the Camshaft Funds may be subject to risk of loss of its assets on deposit with a counterparty in the event of the bankruptcy or insolvency of such counterparty, any clearing broker through which such counterparty executes and clears transactions (whether on behalf of the Camshaft Funds or on behalf of other customers of such counterparty), any affiliate of such counterparty or any clearinghouse or exchange on which such counterparty trades (whether on behalf of the Camshaft Funds or on behalf of other customers of such counterparty).

The Camshaft Funds are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Firm to transact business with any one or number of counterparties, the lack of any meaningful or independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Camshaft Funds.

Illiquid Financial Instruments. Financial Instruments purchased by the Camshaft Funds may lack a liquid trading market, which may result in the inability of the Camshaft Funds to sell any such security or portfolio investment or to close out a transaction or to cover the short sale of a position, thereby forcing the Camshaft Funds to incur potentially unlimited losses in such instruments. This lack of liquidity and depth could be a disadvantage to the Camshaft Funds both in the realization of the prices that are quoted and the execution of orders at desired prices. In addition, Financial Instruments that are at one time marketable could become unmarketable (or more difficult to market) for a number of reasons. For example, in the case of securities traded on the NASDAQ National Market System, Inc., if the price of the securities falls below the minimum price required for continued trading, their marketability is likely to be adversely affected or

effectively eliminated altogether. In addition, most U.S. futures exchanges have established "daily price fluctuation limits" which preclude the execution of trades at prices outside of the limit, and, from time to time, the CFTC or the exchanges may suspend trading in market disruption circumstances. The daily limits establish the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price. Once the daily limit has been reached in a particular futures contract, no trades may be made at a price beyond the limit. In these cases, it is possible that the Camshaft Funds could be required to maintain a losing position that it otherwise would close and incur significant losses or be unable to establish a position and miss a profit opportunity. Illiquid Financial Instruments may also be more difficult to value. Liquidity risk arises in the general funding of the Camshaft Funds' trading activities. It includes the risk of the Camshaft Funds not being able to fund trading activities at settlement dates, or liquidate Financial Instrument positions in a timely manner at a reasonable price. The sale of illiquid Financial Instruments often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the OTC markets. The Camshaft Funds may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Finally, if a substantial number of investors were to redeem/withdraw from the Camshaft Funds and the Camshaft Funds did not have a sufficient amount of cash and liquid securities to satisfy in cash such requests, the Camshaft Funds might have to meet such redemption/withdrawal requests through distributions of illiquid Financial Instruments.

Certain positions are typically liquidated on or shortly before the effective redemption/withdrawal date. If there is a market dislocation, including a daily price fluctuation limit, affecting such position(s) on such date, the price of the position(s) used to determine the net asset value of the investor account may be substantially different than the amount for which the position(s) can ultimately be sold by the Master Fund (or the price that would have been in effect without such market dislocation). Shorter notice for a redemption/withdrawal may exacerbate this result. If a market dislocation exists on a date on which the Camshaft Funds attempts to liquidate positions to satisfy redemptions/withdrawals, the non- redeeming/withdrawing investors (and new subscribers, if any) would be adversely affected if the relevant portfolio positions are subsequently sold for less than the price assigned to the positions as of the redemption/withdrawal date. Alternatively, if the relevant portfolio positions are subsequently sold for greater value, then the redeeming/withdrawing investor would be adversely affected. These effects are exacerbated in the case of redemptions/withdrawals representing a significant percentage of the net asset value of the Camshaft Funds.

Where appropriate, certain positions in the Camshaft Funds' investment portfolio that are illiquid and do not actively trade are marked to market by the Firm, taking into account actual market prices, market prices of comparable investments and/or such other factors (*e.g.*, the tenor of the respective instrument) as the Firm deems appropriate. To the extent that marking an illiquid investment to market is not practicable, an investment will be carried at fair value, as reasonably determined by the Firm. There is no guarantee that fair value will represent the value that will be realized by the Camshaft Funds on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. As a result, an investor redeeming/withdrawing its investment from the Camshaft Funds prior to realization of such an investment may not participate in gains or losses therefrom.

Cybersecurity Breaches. The Camshaft Funds and the Firm are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data, as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Camshaft Funds may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; reputational damage; and increased and upgraded cybersecurity. Any such breach could expose the Firm and/or the Camshaft Funds to civil liability, as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions/withdrawals from the Camshaft Funds. In addition, investors could be exposed to additional losses as a result of unauthorized use of their personal information.

Evolving Privacy Laws. In the ordinary course of business, the Firm collects, processes, receives, shares and maintains personal information, including data relating to personnel and investors. As a result, the Firm is subject to various U.S. federal and state privacy and information security laws regulating personal information and creating potential liability for the mishandling, misuse or compromise of that personal information. These laws are evolving, and new legislation may be enacted over time. New privacy laws add additional complexity to compliance programs and alternative data use that may require additional investment in resources, and could impact trading strategies.

Limits of Disclosure. The descriptions in the Camshaft Funds' offering documents of the Firm's investment strategies, the markets and Financial Instruments in which the Camshaft Funds trades, the risk factors and conflicts of interest involved in doing so and other aspects of the Camshaft Funds' operations are subject to material inherent limitations and do not purport to be either complete or comprehensive. In investing in the Camshaft Funds, investors are entrusting their capital to the subjective, discretionary market judgment of the Firm, trading in changing, volatile and uncertain markets. No prospective investor should invest in the Camshaft Funds if such investor is not capable of understanding and evaluating the risks of such investment.

Risks Associated with the Camshaft Funds' Investment Strategies

Global Macro Strategies. The success of the Camshaft Funds' global macro investment strategy depends upon the Firm's ability to identify and exploit perceived fundamental, economic, financial and political imbalances that may exist in and between global markets across a variety of Financial Instruments and asset classes. The identification and exploitation of such imbalances and the prediction of price movements in these instruments involves significant uncertainties due to their reliance on various factors, including political, economic, international and environmental trends and events. There can be no assurance that the Firm will be able to identify investment opportunities or exploit such imbalances. The Camshaft Funds may incur substantial losses if the investment theses underlying the investment strategies or positions fail to develop as expected by the Firm.

Relative Value Strategy Risks. The success of the Camshaft Funds' relative value trading is dependent on the Firm's ability to exploit relative mispricing's among interrelated instruments. Although relative value positions may be considered to have a lower risk profile than directional trades as the former attempt to exploit price differentials not overall price movements, relative value investment strategies are by no means without risk. Mispricing's, even if correctly identified, may not converge within the time frame within which the Camshaft Funds maintains its positions. Even pure "riskless" arbitrage—which is rare—can result in significant losses if the arbitrage cannot be sustained (due, for example, to margin calls). International securities and markets may not move in correlation with each other or in directions anticipated by the Firm, so that hedging and arbitrage activities may not be successful. The Camshaft Funds' relative value investment strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its algorithms. Market disruptions may also force the Camshaft Funds to close out one or more positions. Such disruptions have in the past resulted in substantial losses for funds employing relative value investment strategies.

The profitability of relative value trading has been materially reduced in certain asset classes in the past decade— in part due to the number of market participants seeking to exploit the same mispricings.

Long/Short Strategies. The success of the Camshaft Funds' long/short investment strategy depends upon the Firm's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Camshaft Funds' long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Camshaft Funds' positions were to fail to converge toward, or were to diverge further from, values expected by the Firm, the Camshaft Funds may incur losses. In the event of market disruptions, significant losses can be incurred which may force the Camshaft Funds to close out one or more positions. Furthermore, any valuation models used by the Firm, if applicable, to determine whether a position presents an attractive opportunity consistent with the Firm's long/short investment strategies may become outdated and inaccurate as market conditions change.

Currency Risk – FX Hedging. The Camshaft Funds intends to trade currencies for speculative or hedging purposes and may (but is not required to) use forward contracts and other Financial Instruments to seek to hedge against fluctuations in the relative value of the Fund's investments in respect of the Euro class shares and the GBP class shares. Hedging does not eliminate fluctuations in the value of the U.S. Dollar relative to the Euro or British Pounds Sterling or vice versa, or prevent losses if their relative values change, but rather establishes other positions designed to gain from those same developments, and such hedging transactions may also limit the opportunity for gain if the value of the U.S. Dollar should increase in relation to the Euro or British Pounds Sterling. As with other hedging transactions, currency hedging may result in a poorer overall performance and increased (rather than reduced) risk for the Camshaft Funds, the Euro class shares and the GBP class shares. There can be no guarantee that the Firm will be able to enter into suitable currency hedging transactions at a price and terms sufficient to protect the Camshaft Funds from a decline in the value of a particular currency and that such hedging transactions will be able to be executed at a time when the Camshaft Funds wishes to do so.

The Camshaft Funds may also invest a portion of its assets in equity securities, fixed income securities and other investments denominated in currencies other than the U.S. Dollar and in other Financial Instruments, the prices of which are determined with reference to currencies other than the U.S. Dollar. Currency markets are highly volatile, and currency trading is highly leveraged. For example, governments from time to time intervene, directly and by regulation, in the currency markets, with the specific intention of influencing the exchange rates. Currency markets are also, in general, highly interest rate sensitive, and may also be affected by trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Camshaft Funds may invest in currencies of Emerging Markets (as defined below), which may be less liquid than currencies of developed countries. There can be no guarantee that instruments suitable for hedging currency exchange rate changes will be available at the time when the Camshaft Funds wishes to use them or will be able to be liquidated when the Fund wishes to do so. Some currency risks are difficult or impossible to hedge, including for example the impact of exchange rate fluctuations on portfolio companies' businesses and macroeconomies. In some countries, the markets for certain of these hedging instruments are not highly developed or do not exist. To the extent certain currency exposure is not part of the Camshaft Funds' investment strategy as described above, the Firm may hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Opportunistic Investing. The Camshaft Funds will build a portfolio of both long and short equity investments where the investment team has identified potential for value from misunderstood or mispriced opportunities. Although the investment team conducts rigorous analysis of these opportunities, even if such an opportunity is correctly identified, such opportunity may not materialize within the time frame of which the Camshaft Funds maintains its positions, may take considerable time to occur or may result in an alternative strategic action that will result in closing the investment at a lower value than entry. Market liquidity constraints, borrowing availability and short squeezes can all have a material impact on the Camshaft Funds' investments and can require action to liquidate or exit positions at less than optimal levels.

General market disruptions may force the Camshaft Funds to close out one or more positions before the Camshaft Funds can capture gains or when the Camshaft Funds' trades would result in losses. Such disruptions have in the past resulted in substantial losses for investment funds.

Any long investments in financially troubled issuers carry a potential risk of loss by the Camshaft Funds. Among the problems involved in assessing and making investments in troubled issuers is the fact that it frequently may be difficult to obtain information as to the condition of such issuer. The market prices of the securities of such issuers are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market prices of such securities to reflect their intrinsic values. It is anticipated that some of such securities in the portfolio of the Camshaft Funds may not be widely traded, and that the Camshaft Funds' position in such securities may be substantial in relation to the market for such securities.

These types of investing requires active monitoring and may, in rare instances, require participation in bankruptcy or reorganization proceedings by the Firm. To the extent that the Firm becomes involved in such proceedings, the Camshaft Funds may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, the Firm's participation in such proceedings may restrict or limit the Camshaft Funds' ability to trade securities of the subject company. The Camshaft Funds may have limited ability to influence the management of the issuer or to elect a representative to the issuer's board of directors or other governing body, potentially increasing the risk of such investments. In addition, the management of the issuer or its shareholders may have economic or business interests which are inconsistent with those of the Camshaft Funds, and they may be in a position to take action contrary to the Camshaft Funds' objectives.

Special Situations. The Camshaft Funds may have investments in issuers involved in (or the target of) acquisition attempts or tender offers or issuers involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Camshaft Funds of the security or other Financial Instruments in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Camshaft Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Camshaft Funds may invest, there is a potential risk of loss by the Camshaft Funds of its entire investment in such issuers.

Short Selling. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from declines in market prices of the sold securities to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Camshaft Funds of buying those securities to cover the short position. There can be no assurance that the Camshaft Funds will be able to maintain the ability to borrow securities sold short. In particular, (i) a tender offer or similar transaction with respect to a company whose securities the Camshaft Funds has sold short or (ii) an unexpected shortage in an underlying commodity with respect to commodity futures that the Camshaft Funds has sold short, could cause the value of such Financial Instruments to rise dramatically, resulting in substantial losses to the Camshaft Funds. Regulators have, and may in the future, suspend short sales in Financial Instruments traded by the Camshaft Funds, which may cause the price of such securities to rise, resulting in a loss to the Camshaft Funds. Brokers may also require the Camshaft Funds to "cover" a short position at an inopportune time thereby forcing the Camshaft Funds to purchase the security at the then-prevailing market price which may be higher than the price at which such security was originally sold short by the Camshaft Funds.

Market Data. The Firm's and the Camshaft Funds' investment strategies depend on a wide variety and large quantity of market data obtained from numerous hosts of different suppliers, including multiple exchanges. Notwithstanding the Firm's reliance on large quantities of market

data, sources of market data may decline over time, which could adversely impact the investment program of the Camshaft Funds. In addition, market data contract pricing and terms are complex and subject to change without prior notice in many cases; increases in market data contract pricing could make the acquisition of certain data cost-prohibitive for the Firm which would negatively impact the Camshaft Funds' net performance. If data that the Camshaft Funds relies on is corrupted, compromised or discontinued in any material manner, the Camshaft Funds may suffer material losses or be exposed to the risk of loss of investment opportunities.

Credit Ratings. Credit ratings of structured finance products, other fixed-income instruments and investments represent the rating agencies' opinions regarding their credit quality and are not a guarantee of future credit performance of such securities. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Further, in recent years many highly rated structured securities have been subject to substantial losses.

Discretionary Aspects of the Firm's Investment Approach. The Firm's strategies and research methodologies retain certain discretionary aspects. In particular, the discretion of the Firm is expected to be used throughout the research and creation of models, in interpreting data, choosing signals and ranking their importance. In addition, from time to time, the Firm may determine to make investment decisions or reallocate the Camshaft Funds' capital in respect of a particular asset class or investment strategy in anticipation of, or in reaction to, what the Firm deems to be certain "material events" in the global economy. Such "material events" include, but are not limited to, economic turning points, market regime changes, central bank announcements, geopolitical shifts and other material economic and market or risk events underlying the Camshaft Funds' investment strategies and in the Firm's view represent opportunities to enhance returns, reduce volatility or protect against potential drawdowns. There can be no assurances that such interventions will be successful or not increase the Camshaft Funds' losses attributable to such external events.

Use of Leverage. The investment strategies utilized on behalf of the Camshaft Funds generally involve the use of borrowed funds and otherwise obtaining leveraged exposures to Financial Instruments. Leverage in respect of certain investment strategies employed on behalf of the Camshaft Funds may be significant. Such leverage may be employed at the strategy level or the portfolio level. Use of leverage for investment purposes entails significant risks. Use of leverage tends to magnify the gains or losses from investment activities and the overall volatility of the Camshaft Funds. In addition, leverage results in interest expense and other costs and premiums. If gains earned by the Camshaft Funds' portfolio fail to cover such costs, the net asset value of the Camshaft Funds may decrease faster than if there had been no borrowings.

If securities pledged to brokers or other financial institutions to secure the Camshaft Funds' margin accounts decline in value, the Camshaft Funds could be subject to a "margin call," pursuant to which the Camshaft Funds must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The prime brokers and dealers that provide financing to the Camshaft Funds will determine the margin, haircut and collateral valuation policies that will apply to the Camshaft Funds from time to time.

Changes by prime brokers and dealers in margin, haircut, financing and valuation policies may result in margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Camshaft Funds will be able to maintain any financing, and at times, especially during distressed market conditions, brokers and dealers have substantially reduced the availability of credit. If the Camshaft Funds is unable to obtain financing on terms acceptable to the Firm, the Camshaft Funds could be forced to liquidate portfolio investments on a schedule that the Firm would not otherwise follow and incur significant losses.

Hedging. Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Camshaft Funds securities or other objective of the Firm; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Firm; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Camshaft Funds' position; and (v) default or refusal to perform on the part of the counterparty with which the Camshaft Funds trade. Furthermore, to the extent that any hedging strategy involves the use of OTC derivatives transactions, such a strategy would be affected by implementation of various regulations, including those adopted pursuant to Dodd-Frank.

The Firm will not, in general, attempt to hedge all market or other risks inherent in the Camshaft Funds' positions, and hedges certain risks, if at all, only partially. Specifically, the Firm may choose not, or may determine that it is economically unattractive, to hedge certain risks—either in respect of particular positions or in respect of the Camshaft Funds' overall portfolio. The Camshaft Funds' portfolio composition will commonly result in various directional market risks remaining unhedged. The Firm may rely on diversification to control such risks to the extent that the Firm believes it is desirable to do so; however, the Camshaft Funds is not subject to formal diversification policies.

The ability of the Camshaft Funds to hedge successfully will depend on the ability of the Firm to predict pertinent price movements or the underlying causes of such price movements, which cannot be assured. The Firm is not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as counterparty credit risk. Furthermore, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Emerging Market Investing. The Camshaft Funds may invest a portion of its assets in the securities of, or instruments providing exposure to, less developed countries or countries with new or developing capital markets ("Emerging Markets"), as well as trade the currencies of such countries to hedge currency exposure. The value of Emerging Markets currencies and securities may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on the Camshaft Funds, including nationalization, expropriation, sudden imposition of capital

controls, imposition of confiscatory taxation or regulatory or imposition of withholding or other taxes on interest payments.

Some of the countries in which the Camshaft Funds may invest have experienced political, economic and/or social instability. Many such countries have also experienced dramatic swings in the value of their national currency. There can be no assurance that such instability or such fluctuations will not occur in the future and, if they do occur, that they will not have a substantial adverse effect on the performance of the Camshaft Funds.

The economies of many of the Emerging Markets countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many Emerging Markets country economies have a high dependence on a small group of markets or even a single market. Emerging Markets countries also tend to have periods of high inflation and high interest rates, as well as substantial volatility in interest rates, which could affect the Camshaft Funds adversely.

Foreign investment in the Emerging Markets countries is in some cases restricted. Many of these countries have non-convertible currencies and the value of investments may be affected by fluctuation in available currency rates and exchange control regulations. The remittance of profits may therefore be restricted, and the Camshaft Funds may utilize swaps and other forms of indirect investment to access such markets. Moreover, the banking systems in these countries are not fully developed and considerable delays may occur in the transfer of funds within, and the remittance of monies out of, Emerging Markets countries.

Certain Emerging Markets countries are particularly likely to require identifying information about entities and persons who have direct, or even indirect, exposure to the securities of issuers in those countries. This may result in the Camshaft Funds being asked to provide information about investors to Emerging Markets regulators or to the brokers who are providing services to the Camshaft Funds in connection with trading activities. Such information may include, but may not be limited to, the identities, addresses and countries of origin of the investors.

Volatility. The market value of certain investments held by the Camshaft Funds may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, among other things, the macro business and economic environment, specific developments or trends in respect of a company or in any particular industry, the market's overall perception of risk, general economic conditions, the condition of certain financial markets, domestic and international economic and political events, prevailing credit spreads, changes in prevailing interest rates and the financial condition of counterparties.

Interest Rate Risk. The Camshaft Funds is subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Firm may attempt to minimize the exposure of its portfolio to interest rate changes through the use of interest rate swaps, interest rate futures

and/or interest rate options. However, there can be no guarantee that the Firm will be successful in mitigating the impact of interest rate changes on its portfolio.

Potential Inability to Trade or Report Due to Systems Failure. The Firm's investment strategies rely extensively on a wide range of information technology systems, including computer hardware and software systems and will be dependent to a significant degree on the proper functioning of such internal and external computer systems. Information technology systems are subject to a number of inherent and unpredictable risks. Accordingly, systems failures, whether due to third-party failures upon which such systems are dependent or the failure of the Firm's hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the Camshaft Funds to experience significant trading losses or to miss opportunities for profitable trading. Any such failures also could cause a temporary delay in reports to investors.

Availability of Investment Opportunities. There can be no assurance that the Firm will be able to find suitable opportunities consistent with its investment approach or that it believes will likely to provide the desired returns. Market conditions may limit the availability of investment opportunities. Such limitations may cause delays in deploying the Camshaft Funds' capital, concentration of the Camshaft Funds' investments and may negatively impact the Camshaft Funds' returns.

No Material Restrictions. The Firm will opportunistically implement whatever investment strategies it believes from time to time may be best suited to prevailing market conditions and to the Firm's investment approach, without material restrictions. Such investment strategies may involve higher levels of risk than the ones discussed herein. There can be no assurance that the Firm will be successful in applying any strategy to the Camshaft Funds' investing.

Risks Relating to Financial Instruments Traded

Futures. The rapid fluctuations in the market prices of futures interests make an investment in the Camshaft Funds volatile. Volatility is caused by changes in supply and demand relationships; weather; agricultural, trade, fiscal, monetary and exchange control programs; U.S. and non-U.S. political and economic events and policies; and changes in interest rates. If the Firm incorrectly predicts the direction of the price in a futures interest, large losses may occur and the Camshaft Funds could lose all or substantially all of its assets.

Futures prices are highly volatile and are affected by a wide variety of complex and hard to predict factors; consequently, a primary risk in trading these instruments is rapid fluctuations in market prices in a short time period. Price fluctuations may affect the Firm's ability to earn investment returns for the Camshaft Funds. Market volatility may also depart significantly from historical averages, which could affect performance. Volatility could create adverse results for the performance of the Camshaft Funds in several ways. A period of substantial volatility shortly after an investor's initial investment, or additional investments thereafter, could adversely affect performance and cause a significant reduction in such investor's equity, making it more difficult to achieve profitability. Substantial volatility prior to the time of a planned redemption/withdrawal

adversely affect performance, and could reduce the amount of proceeds actually received when the redemption/withdrawal has been completed.

Futures exchanges may impose position accountability limits (the "Position Accountability Limits") with respect to certain futures contracts traded on each particular futures exchange. Position Accountability Limits are triggers that would bring the Camshaft Funds' position(s) to the attention of the exchange. Through the application of Position Accountability Limits, exchanges can prohibit an investor from holding a position of more than a specific number of futures contracts. Under the rules of a futures exchange, if the Camshaft Funds holds a certain number of futures contracts approaching the Position Accountability Limit, the Camshaft Funds may be required by the futures exchange to limit or decrease its holdings of such futures contracts pursuant to the futures exchange's Position Accountability Limits. If the Camshaft Funds is required to either limit or decrease its holdings of such futures contracts, or if an exchange lowers its Position Accountability Limits, the Camshaft Funds may be adversely affected and may not be able to achieve its investment objective.

Non-U.S. Futures. Foreign futures transactions involve executing and clearing trades on non-U.S. futures exchanges. This is the case even if the foreign exchange is formally "linked" to a U.S. futures exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No U.S. organization regulates the activities of a foreign exchange, including the execution, delivery and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the Camshaft Funds may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

Credit Default Swaps. The Camshaft Funds may invest in credit default swaps ("**CDS**"). A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. Credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. In addition, credit default swaps can be used to implement the Firm's view that a particular credit, or group of credits, will experience credit improvement or credit impairment. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, and potential loss upon default, among other factors. As such, there are many factors upon which market participants may have divergent views.

The Camshaft Funds may also purchase or sell CDS on a basket of reference entities or an index. In circumstances in which the Camshaft Funds is the credit default swap buyer and does not own the debt securities that are deliverable under a CDS, the Camshaft Funds is exposed to the risk that deliverable securities will not be available in the market, or will be available only at

unfavorable prices, as would be the case in a so-called "short squeeze." While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will not be successful. As a seller of CDS, the Camshaft Funds incurs leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Camshaft Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. In addition, in the event that a cash settlement auction to identify the relevant deliverable securities, is not established the credit default swap buyer will have broad discretion to select which of the reference entity's debt obligations to deliver to the Camshaft Funds following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Camshaft Funds.

Equity Investments. The Camshaft Funds intends to invest in equity markets, which may involve substantial risks. Investments in equity markets are highly volatile and may be subject to wide and sudden fluctuations, with a resulting fluctuation in the Camshaft Funds' performance. Equity markets may decline due to factors affecting equity securities markets generally or particular industries represented in those markets. Factors affecting the equity markets include, without limitation, real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, political events or adverse investor sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity markets tend to be cyclical and may experience periods of turbulence. For the foregoing reasons, investments in equity markets can be highly speculative and carry a substantial risk of loss of principal.

The Camshaft Funds' single name equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Camshaft Funds may invest. Relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other Financial Instruments. Changes in the structure of the equity markets or new market participants may materially impede the Camshaft Funds' investment strategy.

Fixed Income Investments. The Camshaft Funds intends to invest in bonds and other fixed income securities of U.S. and non-U.S. issuers. The value of the fixed income securities in which the Camshaft Funds may invest changes both as general market conditions change and as the general levels of interest rates fluctuate. When interest rates decline, the value of the Camshaft Funds' fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities is generally expected to decline. Investments in lower rated or unrated fixed income securities in which the Camshaft Funds may invest, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities). Fixed

income securities are generally not exchange traded and therefore, usually carry a higher level of liquidity and mark-to-market risk potential than most exchange-traded equity securities.

The Camshaft Funds may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Camshaft Funds may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Camshaft Funds may invest in securities which are moral obligations of issuers or subject to appropriations. The Camshaft Funds will therefore be subject to credit and liquidity risks. In addition, evaluating credit risk for debt securities of issuers in some jurisdictions involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Prepayment Risk. The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on debt instruments will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many fixed rate obligations will be discount instruments when interest rates and/or spreads are high, and will be premium instruments when interest rates and/or spreads are low, such debt instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Camshaft Funds' portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the Firm may have constructed for these investments, resulting in a loss to the Camshaft Funds' overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

High-Yield Securities. The Camshaft Funds may invest in high yield securities. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available

to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Corporate Debt. Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, the Camshaft Funds may be paid interest in kind in connection with its investments in corporate debt and related Financial Instruments (*e.g.*, the principal owed to the Camshaft Funds in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Camshaft Funds may experience substantial losses.

Mezzanine Debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of the Master Fund to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the insolvency of a portfolio company of the Master Fund or similar event, the Master Fund's debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Non-Performing Nature of Debt. Certain debt instruments may be non-performing or in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to such debt instruments.

Troubled Origination. When financial institutions or other entities that are insolvent or in serious financial difficulty originate debt, the standards by which such instruments were originated, the recourse to the selling institution, or the standards by which such instruments are being serviced or operated may be adversely affected.

Obligations of Governments, their Agencies and Instrumentalities. The Camshaft Funds intends to invest in government securities. Government securities are obligations of, or are guaranteed by, governments, their agencies or instrumentalities. These instruments include bills, certificates of indebtedness and notes and bonds issued by governments, states, municipalities or by government agencies or instrumentalities. Some government securities, such as U.S. Treasury bills and bonds, are supported by the full faith and credit of the government treasury; others are supported by the right of the issuer to borrow from the government treasury; others are supported by the discretionary authority of the government to purchase the agency's obligations; still others

are supported only by the credit of the instrumentality. Certain events, including bankruptcy filings by certain municipalities, have highlighted the risks inherent in investing in government securities. It is difficult, if not impossible, to determine the extent to which such filings will become more common. Bankruptcy laws applicable to governments are relatively untested and may not provide the same protections to creditors as those contained in bankruptcy laws applicable to non-government debtors. It is impossible to predict whether the Partnership will be able to successfully avoid losses relating to defaults by issuers of governmental securities.

Various factors may adversely affect the value and yield of municipal securities. These factors include imbalances in demand, potential legislative changes, as well as uncertainties related to the tax status of municipal bonds or the rights of others holding these securities. Returns will depend on a positively sloped yield curve and the relationship between the tax-exempt and taxable yield curves. Adverse changes in the slope of the municipal bond yield curve as well as its relationship to the taxable yield curve, among other things, could have a material adverse effect on performance. Investments in municipal securities may be subject to liquidity risk because of the fragmentation of the municipal bond market and the unique effect that political, legislative and/or regulatory actions can have on the municipal bond market, compared to the taxable markets.

The Camshaft Funds intends to invest in sovereign debt issued or guaranteed by U.S. and non-U.S. governments, their agencies and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. Investments in sovereign debt are subject to varying degrees of credit risk depending on the level of government support. Certain sovereign debt securities are supported by the full faith and credit of the national government or political subdivision or agency, while others lack such support. Investments in sovereign debt are also subject to varying degrees of credit risk as a result of financial or political instability in the relevant countries. Certain events, such as the political and economic instability in various European Union (the "EU") countries, have highlighted the risks inherent in investing in sovereign debt, including an EU member choosing to leave the Eurozone and redenominating its debt. The unwillingness of one or more EU countries to provide assistance to distressed sovereigns within the EU underlines the unexpected political dynamics that may arise to undermine investor expectations regarding the safety of sovereign debt.

Additionally, the financial markets are roiled from time to time by evolving developments relating to possible sovereign defaults or moratoriums. A sovereign's financial condition is subject to numerous factors—social programs, political pressure, supra-national economic actions—all or many of which may be exogenous to the Firm's analysis and research and may from time to time dominate market pricing (even if contrary to fundamental/trading dynamic pricing correctly identified by the Firm). It is impossible to predict whether the Camshaft Funds will be able to successfully avoid losses relating to sovereign default. There is no current means of collecting on defaulted sovereign debt as part of bankruptcy or other proceedings.

In addition to general default risk relating to sovereign debt, if the Camshaft Funds invests in sovereign debt denominated in a currency other than U.S. Dollars (or in respect of which payments of principal or interest are paid in a currency other than U.S. Dollars), the Camshaft Funds will be exposed to the risk that one or more jurisdictions may impose currency controls that

would limit the Camshaft Funds' ability to convert such payments of principal or interest to U.S. Dollars. It is impossible to predict whether any such currency controls will be imposed.

Countries or territories (including Venezuela, Russia, Argentina, Puerto Rico, Turkey and Lebanon) have encountered, or are currently encountering, difficulties in servicing their external national or government debt obligations, which led to defaults on government obligations and the restructuring of certain indebtedness. One sovereign default may have an adverse effect on the markets of both the defaulting country or territory and non-defaulting countries and/or territories.

Repurchase and Reverse Repurchase Agreements. The Camshaft Funds may enter into repurchase and reverse repurchase agreements. When the Camshaft Funds enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Camshaft Funds "buys" securities from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Camshaft Funds, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Camshaft Funds involves certain risks. For example, if the seller of securities to the Camshaft Funds under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Camshaft Funds will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Camshaft Funds' ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Camshaft Funds may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Camshaft Funds may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

Distressed Securities. The fact that certain of the companies in whose securities the Camshaft Funds may invest are in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Camshaft Funds' investment in any instrument, and a significant portion of the obligations and preferred stock in which the Camshaft Funds invests may be less than investment grade.

Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. Although the Camshaft Funds invests in select companies that, in the view of the Firm, have the potential over the long-term for capital growth, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility

that the Camshaft Funds may incur substantial or total losses on its investments. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers.

Securities of financially troubled issuers and operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many of the Camshaft Funds' portfolio investments may not be widely traded and that the Camshaft Funds' investment in such securities may be substantial relative to the market for such securities. As a result, the Camshaft Funds may experience delays and incur losses and other costs in connection with the sale of its portfolio securities.

Derivative Instruments. The Camshaft Funds will use various derivative financial instruments for both hedging and synthetic investing. Derivative financial instruments include credit derivatives, interest rate swaps, total return swaps, options, forward currency contracts and futures. In addition, the Camshaft Funds may from time to time use both exchange-traded and OTC futures and options as part of its investment strategy and for hedging purposes. Such derivative instruments may be highly volatile, involve certain special risks and expose investors to a high risk of loss.

The risks relating to OTC derivatives that are not otherwise cleared through a central clearing party include, but are not limited to, the following: (i) credit risk (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset or commodity); (iii) legal risk (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) systemic risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the Financial Instruments hedged; (ii) imperfect correlation between movements in the Financial Instruments on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited. See also "*Short Selling*," "*Options*" and "*Leverage*."

Transactions in OTC derivatives may involve other risks as well. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Lastly, regulatory restraints may restrict the notional amount of instruments that the Camshaft Funds may trade.

Swaps. The Camshaft Funds may enter into swap agreements (including total return and foreign exchange swaps) and other types of OTC transactions with broker-dealers or other financial institutions. Depending on their structures, swap agreements may increase or decrease the Camshaft Funds' exposure to various securities, commodities, indices, currencies or other investments or units of measure. The values of the Camshaft Funds' swap positions would increase or decrease depending on the changes in value of the underlying asset.

Total return swaps typically involve commitments to pay interest in exchange for a market-linked return, both based on notional amounts. Depending on the change in the value or level of the underlying instrument, basket of instruments, or index, the Camshaft Funds will either receive or make a payment based on the amount of the change. To the extent the total return of the instrument, basket of instruments, or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Camshaft Funds will receive a payment from or make a payment to the counterparty, respectively.

The use of swaps involves investment techniques and risks different from and potentially greater than those associated with ordinary securities transactions. Swaps involve the risk that the price of the swap used by the Camshaft Funds to calculate net asset value does not accurately reflect its fair market value, which could have a favorable or unfavorable effect on the net asset value of the Camshaft Funds. Some swaps are complex and, in the case of bilateral (uncleared) swaps, may be valued based on quotations given by the Camshaft Funds' swap counterparty, who has adverse interests to the Camshaft Funds with respect to the value of the swap. In certain cases related to bilateral (uncleared) swaps, the Camshaft Funds' swap counterparty may be the only source of value quotations for a swap, while in other cases, multiple quotes may be available. There are also different methodologies that may be used to determine the value of a credit default swap and credit default swap spreads may be wide. As a result of the foregoing factors, the Camshaft Funds may not be able to close out swaps at the price used by the Camshaft Funds to calculate its net asset value. Also, under certain circumstances related to bilateral (uncleared) swaps, if a swap counterparty undervalues the Camshaft Funds' interest in a swap, it could require the Camshaft Funds to transfer greater amounts of collateral to the counterparty than if the swap was valued at fair market value.

Because the master and credit support agreements for bilateral (uncleared) OTC swap transactions are individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (*e.g.*, the definition of default) differently when the Camshaft Funds seeks to enforce its contractual rights. If that occurs, the Camshaft Funds may be

forced to seek to enforce its contractual rights through legal proceedings, which may be costly and time consuming.

There is currently little case law characterizing total rate of return swaps and other derivatives, interpreting their provisions and characterizing their tax treatment. There can be no assurance that future decisions construing similar provisions to those in many of the Camshaft Funds' swap agreements or other related documents or additional regulations and laws governing such derivatives will not have a material adverse effect on the Camshaft Funds.

The CFTC requires certain derivative transactions that were previously executed on a bi-lateral basis in the OTC markets to be executed through a regulated futures or swap exchange or execution facility. The SEC is also expected to impose similar requirements on certain security-based derivatives in the near future, though it is not yet clear when these parallel SEC requirements will go into effect. Such requirements may make it more difficult and costly for investment funds, including the Camshaft Funds, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Camshaft Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. If the Camshaft Funds decides to execute derivatives transactions through such exchanges or execution facilities—and especially if it decides to become a direct member of one or more of these exchanges or execution facilities—the Camshaft Funds would be subject to the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential requirements under applicable regulations and under rules of the relevant exchange or execution facility.

With respect to cleared OTC derivatives, the Camshaft Funds will not face a clearinghouse directly but rather through an OTC derivatives dealer that is registered with the CFTC or SEC to act as a clearing member. The Camshaft Funds may face the indirect risk of the failure of another clearing member customer to meet its obligations to its clearing member. Such scenario could arise due to a default by the clearing member on its obligations to the clearinghouse, triggered by a customer's failure to meet its obligations to the clearing member.

Options. The Camshaft Funds may engage in the trading of options. Trading options is highly speculative and may entail risks that are greater than investing in other securities. The value of options will be affected by market volatility and prices of options are generally more volatile than prices of other securities. Furthermore, specific market movements of the securities underlying an option cannot accurately be predicted.

In trading options, the Firm speculates on market fluctuations of securities and securities indices (or other indices, such as credit indices) while investing only a small percentage of the value of the securities underlying such option. A change in the market price of the underlying securities or underlying market index will cause a much greater change in the price of the option contract. In addition, to the extent that the Camshaft Funds purchases options that it does not sell or exercise, the Camshaft Funds will suffer the loss of the premium paid in such purchase. To the extent the Camshaft Funds sells uncovered options and must deliver the underlying securities at the option price, the Camshaft Funds has a theoretically unlimited risk of loss if the price of such underlying securities increases. If the Camshaft Funds must buy those underlying securities, the Camshaft Funds risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will

be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

Stock Index Options. The Camshaft Funds may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the Camshaft Funds' portfolio correlates with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Camshaft Funds realizes gains or losses from the purchase or writing of options on indices depends upon movements in the level of prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Camshaft Funds of options on stock indices will be subject to the Firm's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments.

Forward Contracts. The Camshaft Funds may enter into forward contracts, generally for currency hedging purposes. In the absence of exchange trading and the involvement of clearing houses, there are no standardized terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as desirable, which may vary from the standardized provisions available through any futures contract. In addition, as two party obligations for which there is no secondary market, forward contracts involve counterparty risk not present with futures.

Foreign Securities and Foreign Currencies. The Camshaft Funds may invest in securities of foreign issuers (including by entering into total return swap and similar Financial Instruments), securities denominated in foreign currencies, and depository receipts, such as ADRs, which are receipts typically issued by a U.S. bank or trust company and which evidence ownership of underlying securities of non-U.S. corporations. Investing in foreign securities, currencies, and/or ADRs may present a greater degree of risk than investing in domestic securities and currencies due to possible exchange rate fluctuations, a change in trade balances, possible exchange controls, less publicly-available information, more volatile markets, less regulation, less favorable tax provisions (including possible withholding taxes), war or expropriation. In particular, the dollar value of portfolio securities of non-U.S. issuers fluctuates with changes in market and economic conditions abroad and with changes in relative currency values. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in foreign securities.

The Camshaft Funds may trade on exchanges located outside the United States. Trading on U.S. exchanges is subject to SEC and CFTC regulation and oversight, as applicable, including, for example, minimum capital requirements for commodity brokers, regulation of trading practices on the exchanges, prohibitions against trading ahead of customer orders, prohibitions against filling orders off exchanges, prescribed risk disclosure statements, testing and licensing of industry sales personnel and other industry professionals, and recordkeeping requirements. Trading on foreign exchanges is not regulated by the SEC, CFTC or any other U.S. governmental agency or

instrumentality and may be subject to regulations that are different from those to which U.S. exchange trading is subject, provide less protection to investors than trading on U.S. exchanges, and may be less vigorously enforced than regulations in the United States. Positions on foreign exchanges also are subject to the risk of exchange controls, expropriation, excessive taxation or government disruptions.

Commodities. Trading commodities and commodity interests (e.g., futures contracts on commodities, securities indices or currencies) is highly speculative and may entail risks that are greater than the risks associated with investing in equity securities. Prices of commodity interests are generally more volatile than prices of equity securities and such volatility is expected to reoccur in the future. Because of the low margin deposits typically required in commodity contract trading, a relatively small movement in the market price of a commodity contract may result in a disproportionately large profit or loss to the Camshaft Funds. Market movements can be volatile and are difficult to predict. Weather, inflation, trade policies, geopolitical events and other unforeseen events can also have a significant impact upon commodity prices. A variety of possible actions by various government agencies also can inhibit profitability or can result in losses. Such events could result in large market movements and volatile market conditions and create the risk of significant losses for the Camshaft Funds.

Market-Related and Regulatory Risks

Market Disruptions; Governmental Intervention. The global financial markets have in the past decade undergone pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Camshaft Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Camshaft Funds from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Camshaft Funds. Market disruptions may from time to time cause dramatic losses for the Camshaft Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") seeks to regulate markets, market participants and Financial Instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and Financial Instruments. Because the implementation of Dodd-Frank is ongoing, it is difficult to predict the ultimate impact of Dodd-Frank on the Camshaft Funds, the Firm and the markets in

which they trade and invest. Dodd-Frank and regulations adopted pursuant to Dodd-Frank could have a material adverse impact on the profit potential of the Camshaft Funds.

Effect of Speculative Position Limits. The CFTC and the United States commodities exchanges impose limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on United States commodities exchanges. For example, the CFTC currently imposes speculative position limits on a number of agricultural commodities (e.g., corn, oats, wheat, soybeans and cotton) and United States commodities exchanges currently impose speculative position limits on many other commodities. Dodd-Frank significantly expands the CFTC's authority to impose position limits with respect to futures contracts and options on futures contracts, swaps that are economically equivalent to futures or options on futures, and swaps that are traded on a regulated exchange and certain swaps that perform a significant price discovery function. In response to this expansion of its authority, in 2012, the CFTC proposed a series of new speculative position limits with respect to futures and options on futures on so-called "exempt commodities" (which includes most energy and metals contracts) and with respect to agricultural commodities. Those proposed speculative position limits were vacated by a United States District Court, but the CFTC has again proposed a new set of speculative position limit rules which are not yet finalized (or effective). If the CFTC is successful in its second attempt to establish speculative position limits, the size or duration of positions available to the Camshaft Funds may be severely limited. All accounts owned or managed by the Firm are likely to be combined for speculative position limit purposes. Thus, the Camshaft Funds could be required to liquidate positions it holds in order to comply with such limits, or may not be able to fully implement trading instructions in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Camshaft Funds.

European Market Infrastructure Regulation. The European Market Infrastructure Regulation ("EMIR") introduced certain requirements in respect of derivative contracts, which apply to varying degrees to entities established in the EU, regardless of whether they are transacting with counterparties established in the EU or outside of the EU. As such, where the Camshaft Funds transacts with EU counterparties, they will likely require the transaction to be EMIR-compliant, with the result that the Camshaft Funds becomes subject to additional obligations and/or costs that may not otherwise have applied.

Broadly, EMIR's requirements in respect of derivative contracts are (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts; and (iii) reporting and record-keeping requirements in respect of all derivative contracts. The application of these requirements is dependent on the classification of the counterparties as financial counterparties ("FCs"), non-financial counterparties above the clearing threshold ("NFC+s") or non-financial counterparties below the clearing threshold ("NFC-s").

The EU regulatory framework and legal regime relating to derivatives comprises not only EMIR but also includes a package of legislation, technical standards and related guidance collectively known as MiFID II as described below.

Prospective investors should be aware that there may be ongoing costs (whether direct or indirect) of compliance with EMIR, and that EMIR may adversely affect the Camshaft Funds' ability to engage in certain derivative transactions.

MiFID II. The European Union Markets in Financial Instruments Directive ("MiFID") governs the provision of investment services and activities in relation to, as well as the organized trading of, financial instruments such as shares, bonds, units in collective investment schemes and derivatives. MiFID will be comprehensively revised and replaced by a new EU directive and regulation, collectively referred to as "MiFID II", from January 3, 2018. Although the Camshaft Funds is not organized in the EU, and is not authorized or regulated by any EU member state financial services regulator, certain aspects of MiFID II may have an impact on the Camshaft Funds.

MiFID II imposes certain restrictions as to the trading of shares and derivatives, which could apply to transactions made by or with the Camshaft Funds. Subject to certain conditions and exceptions, the Camshaft Funds may be unable to trade shares or derivatives with affected counterparties other than as provided by MiFID II. MiFID II also applies position limits to the size of a net position that a person can hold at all times in commodity derivatives traded on EU trading venues and in "economically equivalent" OTC derivatives.

More generally, EU regulated firms that have trading relationships with the Camshaft Funds may be obliged by MiFID II to impose certain requirements on the Camshaft Funds, or they may seek to do so contractually, with a view to satisfying their own compliance obligations. It is difficult to predict the full impact of MiFID II on the Camshaft Funds. Prospective investors should also be aware that there may be costs (whether direct or indirect) of compliance with MiFID II.

EU Short Selling Regulation. On November 1, 2012, the EU Regulation on Short Selling and Certain Aspects of Credit Default Swaps (the "SSR") became directly applicable in all member states of the EU. The SSR applies to short sales of, and short positions relating to, the issued share capital of companies whose shares are admitted to trading on a regulated market or multilateral-trading facility in the EU (unless the principal trading venue for the relevant shares is located in a country outside the EU) ("EU listed shares"), among other types of investments. The SSR imposes certain private and public disclosure obligations in respect of short positions in EU listed shares which apply to all natural or legal persons, irrespective of regulatory status, located inside or outside the EU. The SSR also contains prohibitions on uncovered short sales of EU listed shares in certain circumstances. National regulators, and in certain circumstances, the European Securities and Markets Authority, are able to take certain additional emergency measures (including complete bans on short-selling activities) if certain conditions are met. The SSR may prevent the Firm from fully expressing negative views in relation to EU listed shares. Accordingly, the ability of the Firm to implement the investment approach and fulfill the investment objective of the Camshaft Funds may be constrained.

International Investing. Investing outside the United States may involve greater risks than investing in the United States. Investing in emerging and certain non-U.S. markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include, without limitation: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and

political uncertainty, including civil and ethnic unrest, war, abrupt changes in political and economic power, changes in government institutions and policies or famine; (iii) potentially higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) capital controls, such as limitations on the ability to exchange local currencies for U.S. Dollars, and trade restrictions, including quotas, tariffs, customs, duties and other assessments, which may lead to significant costs and delays in obtaining licenses, approvals and authorizations; (viii) increased likelihood of governmental involvement in and control over the economy, issuers and financial markets; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) preferential treatment of local interests over foreign interests by the government, including legislators, regulators and courts; (xi) differences in auditing and financial reporting standards which may result in the unavailability of reliable, current or detailed information about issuers; (xii) less extensive or more extensive regulation of the markets; (xiii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiv) greater correlation to commodity price movements; (xv) imposition of withholding or other taxes on dividends, interest, capital gains, gross sales or disposition proceeds or other income; (xvi) higher transaction costs; and (xvii) certain considerations regarding the maintenance of the Camshaft Funds' securities with non-U.S. brokers and securities depositories. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Camshaft Funds are uninvested and no return is earned thereon. The inability of the Camshaft Funds to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the Camshaft Funds to miss investment opportunities. The inability to dispose of a security due to settlement problems could result either in losses to the Camshaft Funds due to subsequent declines in the value of such security or, if the Camshaft Funds has entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies.

The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, interest rates, resources, self-sufficiency and balance of payments position.

United Kingdom Membership of the European Union. The United Kingdom ("**UK**") ceased to be a member of the EU on January 31, 2020 ("Brexit"). During a prescribed period (the "**Transition Period**"), certain transitional arrangements were in effect, such that the UK continued to be treated, in most respects, as if it were still a member of the EU, and generally remained

subject to EU law. On December 24, 2020, the EU and the UK reached an agreement in principle on the terms of certain agreements and declarations governing the ongoing relationship between the EU and the UK, including the EU-UK Trade and Cooperation Agreement (the "**Agreement**"), and on December 30, 2020, the Council of the European Union adopted a decision authorizing the signature of the Agreement and its provisional application for a limited period between January 1, 2021 to February 28, 2021, pending ratification of the Agreement by the European Parliament. The Transition Period ended on December 31, 2020. The Agreement is limited in its scope primarily to the trade of goods, transport, energy links and fishing, and uncertainties remain relating to certain aspects of the UK's future economic, trading and legal relationships with the EU and with other countries. The actual or potential consequences of Brexit, and the associated uncertainty, could adversely affect economic and market conditions in the UK, in the EU and its member states and elsewhere, and could contribute to instability in global financial markets.

Current Political Uncertainty. Some of the results of recent elections and referenda have been unexpected and resulted in material market changes and increases in market uncertainty. Given recent changes in administrations and applicable law following such recent elections and referenda, the future of current regulations, or the adopting of new regulations, is also uncertain. While these uncertainties may create investments opportunities for the Camshaft Funds, such uncertainties could alternatively have adverse impacts on the Camshaft Funds. Predicting the outcome of political processes and events is inherently difficult and uncertain. If the Firm fails to anticipate political events or predicts them incorrectly, it may cause the Camshaft Funds to miss investment opportunities or incur losses. There may be detrimental implications for the value of certain of the Camshaft Funds' investments in certain markets, its ability to enter into transactions or to value or realize its investments or otherwise to implement its investment program or the Firm's investment strategies.

Risk of Natural Disasters, Epidemics and Terrorist Attacks. Countries and regions in which the Camshaft Funds invests, where the Firm has offices or where the Camshaft Funds or the Firm otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect the Camshaft Funds' investment program or the Firm's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which the Camshaft Funds invests or could affect the countries and regions in which the Camshaft Funds invests, where the Firm has offices or where the Camshaft Funds or the Firm otherwise do business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which the Camshaft Funds invests.

COVID-19. The recent global outbreak of the novel coronavirus (COVID-19) is currently creating unprecedented economic and social uncertainty throughout the world. The ultimate impact of the COVID 19 outbreak is difficult to predict, but it is likely that COVID-19 will have a materially adverse impact on global, national and local economies in the immediate future and that such negative impact is likely to persist for some time. In particular, disruptions to commercial

activity across economies due to the imposition of quarantines, remote working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact the Camshaft Funds' investments. Similar disruptions may occur in respect of the Firm's and the Camshaft Funds' service providers and counterparties (including providers of financing), which could also negatively impact the Camshaft Funds. While there are indications of various governmental responses to the potential negative effects of COVID-19, it is unclear how effective these responses will be and what other impacts such responses may have on the overall performance of markets or the Camshaft Funds.

ERISA Matters. Most pension and profit sharing plans, individual retirement accounts and other tax-advantaged retirement funds are subject to provisions of the Code, ERISA, or both, which may be relevant to a decision as to whether such an investor should invest in the Camshaft Funds. There may, for example, be issues as to whether such an investment is "prudent." Legal counsel should be consulted by such an investor before investing in the Camshaft Funds.

AN INVESTMENT IN CAMSHAFT AND THE CAMSHAFT FUNDS IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. INVESTMENTS INCLUDING THE RISK THAT THE ENTIRE INVESTMENT MAY BE LOST. NO GUARANTEE OR REPRESENTATION IS MADE THAT THE FUNDS' INVESTMNENT OBJECTIVES WIL BE ACHIEVED.

Item 9. Disciplinary Information

This Brochure, as dated on page 1, reflects that there are no material legal or disciplinary events that have occurred with respect to Camshaft or management persons within the past 10 years.

Item 10. Other Financial Industry Activities and Affiliations

Camshaft is exempt from registration as a commodity pool operator ("**CPO"**) and a commodity trading advisor ("**CTA**") with the Commodities Future Trading Commission ("CFTCF").

As described above in Items 5 and 6, Camshaft receives asset-based and performance-based compensation from the Funds. The amounts payable to Camshaft are based directly on the net asset value of the Funds. To the extent that valuation of assets is determined based upon information provided by Camshaft, because there is, for example, no public market price available, there may be a conflict of interest. Camshaft will value such assets in accordance with its valuation policies and procedures.

Camshaft, and other professionals of Camshaft (directly or through its affiliates) may make, and in some cases have made, a capital contribution to one or more of the Funds and, therefore, may be viewed as having an incentive to favor such Funds over other Clients, including pooled investment vehicles in which Camshaft or such persons are not invested (which may include other Camshaft Funds). Camshaft routinely waives the applicable management fees and performance fees for Camshaft-affiliated investors.

Certain of the above conflicts may also be generally addressed through adherence with Camshaft's compliance policies and procedures and its Code of Ethics.

<u>Item 11.</u> Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Camshaft has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act (the "**Code of Ethics**"). All "access persons" (including employees, managers and officers) of Camshaft must comply with the Code of Ethics. The Code of Ethics states that Camshaft personnel must always place the interests of Camshaft's Clients first. The Code of Ethics sets forth standards of conduct expected of Camshaft's personnel, which reflect the fiduciary obligations of Camshaft and its personnel to its Clients, and requires Camshaft's personnel to comply with applicable federal securities laws. The Code of Ethics also requires each employee of Camshaft to report potential violations of the Code of Ethics promptly to Camshaft's Chief Compliance Officer (the "**CCO**"). Camshaft provides each employee with a copy of the Code of Ethics upon commencement of employment and any amendments as required., Employees are required to provide a written acknowledgement that they have received the Code of Ethics, including any amendments no less than annually.

Camshaft's CCO receives copies account statements for all of its access persons who maintain brokerage accounts no less than quarterly. In addition, each access person must submit to the CCO an annual acknowledgement and certification stating that the access person will comply with the Code of Ethics. The Code of Ethics further requires access persons to submit quarterly transaction reports (or duplicate brokerage statements) that detail the access person's securities transactions for each quarter, for the CCO to review. Finally, the Code of Ethics also contains restrictions on the use of insider information and material non-public information regarding Clients.

Camshaft keeps records of reports and other information that access persons are required to submit under the Code of Ethics. The CCO reports on issues that arise under the Code of Ethics to Camshaft's senior management at least annually. Clients and prospective Clients can obtain a copy of the Code of Ethics upon request by contacting Camshaft by telephone at (305) 619-1383 or by email to william@camshaftcapital.com.

As described above in Item 10, Camshaft and certain of its management personnel, employees or affiliates will have a financial interest in investments made by one or more of the Camshaft Funds through their participation in such Funds as a managing member, investment manager, administrative member, director or investor, as applicable. Camshaft and such persons may, therefore, be viewed as having an incentive to favor such Funds over other Clients, including Funds in which such persons are not invested.

In addition, Camshaft may solicit Clients to invest in Camshaft Funds for which Camshaft and certain of its management personnel, employees or affiliates serve as managing member, administrative member, investment manager or director, as applicable, and/or have a financial interest. Additionally, because certain of the Funds for which Camshaft acts as managing member, investment manager or director may invest in other Funds for which Camshaft acts in a similar capacity, Camshaft may be deemed to be recommending to such Funds that they buy securities in which Camshaft and such Camshaft-related persons have a financial interest and/or securities that

Camshaft and such Camshaft-related persons also buys for themselves (*i.e.*, interests in other Funds). To address these potential conflicts, Funds will not bear a double-layering of asset-based fees or performance-based fees in connection with their investment in other Camshaft Funds. Each Fund will, however, be responsible for its *pro rata* share of the expenses of the other Fund in which it invests.

Certain of the above conflicts are generally addressed through adherence to Camshaft's Compliance Manual and its Code of Ethics.

Item 12. Brokerage Practices

Camshaft is responsible for determining what securities will be purchased and sold for each Client and selecting the broker-dealer to execute transactions on behalf of Clients. Purchases and sales of securities for a Client must be made in accordance with the investment objectives, strategies and policies of such Client.

It is Camshaft's policy to seek best execution on behalf of its Clients – that is, Camshaft seeks to achieve the best overall qualitative execution for a Client in a particular circumstance. Best execution is not synonymous with the lowest brokerage commission. Camshaft may cause a Client to pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction if it determines that the commission paid was reasonable in relation to the value of the services provided by the broker.

In seeking to achieve best execution, Camshaft considers the full range and quality of services a broker may provide, including ,but not limited to, the experience and skill of the broker's securities traders; the broker's accessibility to primary markets and quotation services; for NASDAQ securities, whether a broker makes a market in that security; a broker's past history of successful, prompt and reliable execution of client trades; the financial strength and stability of the broker; the broker's administrative efficiency; commission rates; the overall net economic result to a client (involving both price paid or received and any commissions and other costs paid); the security price and its volatility; the size of the transaction, including the ability to effect the transaction at all where a large block is involved; the broker's availability to execute possibly difficult transactions in the future; and the receipt of research services. In addition, for purposes of monitoring best execution, Camshaft generally performs comparisons between executed prices and volume-weighted average prices each trading day for each broker.

Camshaft generally does not utilize "soft dollars" or "pay-up" for research. "Soft dollars" refers to Camshaft's receipt of research or other products or services other than execution from brokers. Camshaft may receive, without cost and unrelated to the execution of securities transactions, a broad range of research services from broker-dealers, including information on the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and legal interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may affect the economy and/or security prices. Camshaft may also pay broker-dealers and their affiliates for certain specialized data and services, such as benchmark information, that are also unrelated to the execution of securities transactions.

In the event that Camshaft were to receive any "soft dollar" benefits, however, Camshaft expects that they would qualify under the safe harbor provided for under Section 28(e) of the Securities Exchange Act of 1934, as amended. If Camshaft were to use Client brokerage commissions (or markups or markdowns) to obtain "soft dollar" benefits, such as research or other products or services, it would receive a benefit because it does not have to produce or pay for the research, products or services. Consequently, Camshaft would have an incentive to select or recommend a broker-dealer based on its interest in receiving "soft dollar" benefits, rather than on its Clients' interest in receiving most favorable execution.

Camshaft does not consider, in selecting or recommending broker-dealers, any Client referrals it may receive from a broker-dealer or third party. Camshaft does not recommend, request or require that a Client direct the execution of transactions through a specified broker-dealer, nor does it have any arrangement in which it permits a Client to direct transactions to a specific broker-dealer.

Despite the highly customized nature of its advice, Camshaft may on occasion purchase or sell the same securities for more than one Client account at the same time or same day, and in so doing will allocate investment opportunities and trades fairly. "Fair" treatment does not mean identical treatment of all Clients. Rather, it means that Camshaft does not discriminate on an impermissible basis against one Client or group of Clients. When Camshaft transacts securities for more than one Client account, the investment opportunities and trades must be allocated in a manner consistent with Camshaft's fiduciary duties and in accordance with the Firm's investment allocation procedures.

Camshaft may combine or "bunch" orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Camshaft's Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Camshaft's determination with respect to allocations will be based on what is appropriate under the particular circumstances, and the allocation may be made based upon relevant factors, which may include: (i) cash availability and need; (ii) suitability; (iii) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (iv) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (v) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (vi) with respect to sale allocations, allocations may be given to accounts low in cash; (vii) in cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Camshaft may exclude the account(s) from the allocation and the transactions may be executed on a *pro rata* basis among the remaining accounts; or (viii) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. For equity investments, generally, each Client will receive the same average price as other participants in the bunched transaction.

Clients may pay more when Camshaft does not aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple Clients may negatively affect market price, transaction commissions and/or trade execution. A Client's non-participation in bunched trades may result in lost opportunities to execute securities transactions for such Client's account that other Clients participating in bunched trades were able to execute.

Item 13. Review of Accounts

Camshaft's Managing Director and one or more members of Camshaft's investment team review positions in Camshaft Fund accounts on an ongoing basis to monitor the Camshaft Funds' compliance with the investment objectives and guidelines described in the Funds' offering documents. The accounts of Camshaft Fund investors are valued monthly by the administrator, who forwards an account statement to Fund investors on a monthly basis. Investors in the Funds may receive other periodic and annual written reports as set forth in the applicable Fund's offering documents. Camshaft also conducts meetings with Clients and investors in the Funds upon request. Any Managed Account Clients will receive the written reporting provided for in the Managed Account Agreement governing such accounts, if applicable.

Item 14. Client Referrals and Other Compensation

Camshaft does not receive an economic benefit from any person who is not a Client for providing investment advice or other advisory services.

Camshaft may, from time to time, enter into arrangements with third parties for marketing and solicitation activities. If Camshaft pays a cash fee to anyone for soliciting separate account Clients on its behalf, Camshaft will comply with the requirements of the SEC's Marketing Rule (Rule 206(4)-1 under the Advisers Act) to the extent applicable. This rule requires, among other things, a written agreement between the investment adviser and the person soliciting Clients on its behalf, and that the soliciting person provide a disclosure document to the potential Client at the time that the solicitation is made. Camshaft may pay a portion or percentage of the compensation that it receives from Clients for investment advisory services to a third-party, but this will not result in any Client being charged fees at a rate in excess of the rate of fees that Camshaft customarily charges for similar services to comparable accounts, nor will Camshaft charge any Client any other amount for the purpose of offsetting the cost of obtaining an account through a third-party referral.

Item 15. Custody

Generally, Camshaft does not have custody of Client assets other than the assets of the Camshaft Funds. Camshaft acts as managing member or investment manager of the Camshaft Funds and is authorized under the Funds' governing documents to deduct fees from each Fund investor's account. Such powers cause Camshaft to be deemed to have custody of the Camshaft Funds' assets for purposes of the SEC's custody rule. Accordingly, to meet the requirements of the custody rule, the Camshaft Funds are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board and the audited financial statements are distributed to investors in the Funds within 90 days of the Funds' fiscal year end (in accordance with rules required of registered commodity pool operators).

In the event that Camshaft has any Managed Account Clients in the future, it generally expects that it will not have custody over the assets of such accounts. Managed Account Clients will receive quarterly account statements from the qualified custodian for their accounts and should carefully review those statements. Camshaft generally will not provide statements to Managed Account Clients, except if specifically requested or in certain limited circumstances. Any Managed Account Clients who receive account statements from Camshaft should compare those statements with the account statements received from the qualified custodian.

Item 16. Investment Discretion

Camshaft has discretionary authority over the investment activities of its Clients. In the case of the Funds, this discretionary authority is generally granted to Camshaft pursuant to the organizational documents of each Fund and/or pursuant to Camshaft's investment advisory agreement with such Fund. For any Managed Account Clients, discretionary authority is granted to Camshaft pursuant to a Managed Account Agreement, which may impose restrictions on this discretion and specify the types of investments permitted. Camshaft is obligated to exercise its investment discretion in a manner consistent with the stated investment objectives, policies, guidelines and restrictions/limitations for a particular Client account.

Item 17. Voting Client Securities

Camshaft has the authority to vote all proxy proposals and corporate actions (collectively, "**proxies**") on behalf of the Funds it advises, and may be delegated the authority to vote proxies held in any Managed Accounts that it may advise in the future. However, depending on the securities in which its Clients are invested, Camshaft may not frequently vote proxies. To the extent that Camshaft invests in a security for a Client for which a proxy vote may arise and Camshaft receives timely notice of such proxy from the Client's prime broker under the terms of the applicable prime broker agreement, Camshaft is guided by general fiduciary principles and will seek to treat proxies in a manner intended to enhance the overall economic value of the applicable Client's assets. Camshaft may (and often does) refrain from voting a Client's proxy under certain circumstances, including, but not limited to, when (i) the economic effect on shareholder's interests or the value of the portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. In addition, Camshaft may refrain from voting a proxy on behalf of its Clients' accounts due to (1) *de minimis* holdings; (2) *de minimis* impact on the portfolio; (3) items relating to non-U.S. issuers (such as those described below); (4) contractual arrangements with Clients; and/or (5) their authorized delegates or the failure of a proxy to provide sufficient information to allow for informed decision making. For example, Camshaft may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may have a detrimental effect on Camshaft's ability to vote the proxy. These issues may include, but are not limited to: (a) proxy statements and ballots being written in a foreign language; (b) untimely notice of a shareholder meeting; (c) requirements to vote proxies in person; (d) restrictions on non-U.S. person's ability to exercise votes; (e) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting (*e.g.*, share blocking); or (f) requirements to provide local agents with power of attorney to facilitate the voting instructions. Any actual or apparent conflict of interest between the interests of Camshaft and its Clients is

resolved in a manner that is consistent with the best interests of Clients and in a manner not affected by such actual or apparent conflict of interest.

Camshaft currently does not permit Clients to direct its vote in a particular solicitation.

Item 18. Financial Information

Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

EXHIBIT 21

FORM ADV

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: CAMSHAFT CAPITAL ADVISORS LLC	**CRD Number: 322577**
Other-Than-Annual Amendment - All Sections	**Rev. 10/2021**
4/18/2023 4:07:32 PM	

WARNING: Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):
CAMSHAFT CAPITAL ADVISORS LLC

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.
CAMSHAFT CAPITAL ADVISORS LLC

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a Schedule R for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of
☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-127451**
(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:
(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

CIK Number
1822044

E. (1) If you have a number ("*CRD* Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: **322577**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

(2) If you have additional *CRD* Numbers, your additional *CRD* numbers:

No Information Filed

F. *Principal Office and Place of Business*

(1) Address (do not use a P.O. Box):
Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:

If this address is a private residence, check this box: ☑

List on Section 1.F. of Schedule D any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business:*
◉ Monday - Friday ○ Other:

Normal business hours at this location:
9-5

(3) Telephone number at this location:
305-619-1383

(4) Facsimile number at this location, if any:

(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of the end of your most recently completed fiscal year?
0

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:

Yes No

I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)? ◉ ○

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name: Other titles, if any:
Telephone number: Facsimile number, if any:
Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:

IRS Employer Identification Number:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name: Titles:
Telephone number: Facsimile number, if any:
Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

Yes No

L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*? ◉ ○

If "yes," complete Section 1.L. of Schedule D.

Yes No

M. Are you registered with a *foreign financial regulatory authority*? ○ ◉

Answer "no" if you are not registered with a foreign financial regulatory authority, even if you have an affiliate that is registered with a foreign financial regulatory authority. If "yes," complete Section 1.M. of Schedule D.

Yes No

N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934? ○ ◉

Yes No

O. Did you have $1 billion or more in assets on the last day of your most recent fiscal year? ○ ◉

If yes, what is the approximate amount of your assets:

○ $1 billion to less than $10 billion

○ $10 billion to less than $50 billion

○ $50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your *Legal Entity Identifier* if you have one:
2549009MHH5W7AC6Y541

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

No Information Filed

SECTION 1.F. Other Offices

No Information Filed

SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: https://www.camshaftcapital.com/

SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:
APEX FUND SERVICES

Number and Street 1:		Number and Street 2:	
150 E 52ND STREET		SUITE 4003	
City:	State:	Country:	ZIP+4/Postal Code:
NEW YORK	New York	United States	10022

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile number, if any:
646-517-1490	

This is (check one):
- ○ one of your branch offices or affiliates.
- ◉ a third-party unaffiliated recordkeeper.
- ○ other.

Briefly describe the books and records kept at this location.
CERTAIN BOOKS AND RECORDS RELATED TO THE MANAGEMENT OF THE FIRM, INCLUDING CERTAIN OF THOSE RELATED TO REGULATORY COMPLIANCE. ALSO, AS AN ADMINISTRATOR FOR THE FIRM'S CLIENT, APEX FUND SERVICES KEEPS SEVERAL TYPES OF BOOKS AND RECORDS INCLUDING BUT NOT LIMITED TO: REGISTER OF INVESTORS, THE RECORDS OF INVESTORS CONTRIBUTIONS, ORIGINAL CORRESPONDENCE OR OTHER COMMUNICATIONS THAT ARE IN POSSESSION OF APEX FUND SERVICES, CLIENT'S GENERAL LEDGER AND AUDITED FINANCIAL STATEMENTS.

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

No Information Filed

Item 2 SEC Registration / Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). Part 1A Instruction 2 provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

☑ (1) are a **large advisory firm** that either:

(a) has regulatory assets under management of $100 million (in U.S. dollars) or more; or

(b) has regulatory assets under management of $90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;

☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of $25 million (in U.S. dollars) or more but less than $100 million (in U.S. dollars) and you are either:

(a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or

(b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;

*Click **HERE** for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*

(3) Reserved

☐ (4) have your *principal office and place of business* **outside the United States**;

☐ (5) are **an investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;

☐ (6) are **an investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least $25 million of regulatory assets under management;

☐ (7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least $200,000,000 that qualifies for the exemption in rule 203A-2(a);

☐ (8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;

If you check this box, complete Section 2.A.(8) of Schedule D.

☐ (9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days;**

If you check this box, complete Section 2.A.(9) of Schedule D.

☐ (10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);

If you check this box, complete Section 2.A.(10) of Schedule D.

☐ (11) are an **Internet adviser** relying on rule 203A-2(e);

☐ (12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;

If you check this box, complete Section 2.A.(12) of Schedule D.

☐ (13) are **no longer eligible** to remain registered with the SEC.

State Securities Authority Notice Filings* and State Reporting by *Exempt Reporting Advisers

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to your registration to stop your *notice filings* or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

Jurisdictions

☐ AL	☐ IL	☐ NE	☐ SC
☐ AK	☐ IN	☐ NV	☐ SD
☐ AZ	☐ IA	☐ NH	☐ TN
☐ AR	☐ KS	☐ NJ	☐ TX
☐ CA	☐ KY	☐ NM	☐ UT
☐ CO	☐ LA	☐ NY	☐ VT
☐ CT	☐ ME	☐ NC	☐ VI

☐ DE	☐ MD	☐ ND	☐ VA
☐ DC	☐ MA	☐ OH	☐ WA
☐ FL	☐ MI	☐ OK	☐ WV
☐ GA	☐ MN	☐ OR	☐ WI
☐ GU	☐ MS	☐ PA	☐ WY
☐ HI	☐ MO	☐ PR	
☐ ID	☐ MT	☐ RI	

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

SECTION 2.A.(8) Related Adviser

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled* by, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser
-

SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.

☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

SECTION 2.A.(10) Multi-State Adviser

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.

☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

SECTION 2.A.(12) SEC Exemptive *Order*

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:
803-

Date of *order*:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

○ Corporation

- ○ Sole Proprietorship
- ○ Limited Liability Partnership (LLP)
- ○ Partnership
- ● Limited Liability Company (LLC)
- ○ Limited Partnership (LP)
- ○ Other (specify):

If you are changing your response to this Item, see Part 1A Instruction 4.

B. In what month does your fiscal year end each year?
DECEMBER

C. Under the laws of what state or country are you organized?

State	Country
Florida	United States

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.

If you are changing your response to this Item, see Part 1A Instruction 4.

Item 4 Successions

	Yes	No
A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?	○	●

If "yes", complete Item 4.B. and Section 4 of Schedule D.

B. Date of Succession: (MM/DD/YYYY)

If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See Part 1A Instruction 4.

SECTION 4 Successions

No Information Filed

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. Part 1A Instruction 5.a. provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.
5

B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?
2

(2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?
0

(3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?
0

(4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?
0

(5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?
0

(6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?

0

In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.

Clients

In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?

0

(2) Approximately what percentage of your *clients* are non-*United States persons*?

0%

D. *For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.*
The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (1)(d) or (3)(d) below.

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of *Client*	**(1) Number of *Client(s)***	**(2) Fewer than 5 *Clients***	**(3) Amount of Regulatory Assets under Management**
(a) Individuals (other than *high net worth individuals*)		☐	$
(b) *High net worth individuals*		☐	$
(c) Banking or thrift institutions		☐	$
(d) Investment companies			$
(e) Business development companies			$
(f) Pooled investment vehicles (other than investment companies and business development companies)	1		$ 595,845,395
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)		☐	$
(h) Charitable organizations		☐	$
(i) State or municipal *government entities* (including government pension plans)		☐	$
(j) Other investment advisers		☐	$
(k) Insurance companies		☐	$
(l) Sovereign wealth funds and foreign official institutions		☐	$
(m) Corporations or other businesses not listed above		☐	$
(n) Other:		☐	$

Compensation Arrangements

E. You are compensated for your investment advisory services by (check all that apply):

☑ (1) A percentage of assets under your management
☐ (2) Hourly charges
☐ (3) Subscription fees (for a newsletter or periodical)
☐ (4) Fixed fees (other than subscription fees)
☐ (5) Commissions
☑ (6) *Performance-based fees*
☐ (7) Other (specify):

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

Yes No

F. (1) Do you provide continuous and regular supervisory or management services to securities portfolios? ◉ Yes ○ No

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

		U.S. Dollar Amount		Total Number of Accounts
Discretionary:	(a)	$ 595,845,395	(d)	1
Non-Discretionary:	(b)	$ 0	(e)	0
Total:	(c)	$ 595,845,395	(f)	1

Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-*United States persons*?

$ 0

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G. What type(s) of advisory services do you provide? Check all that apply.

- ☐ (1) Financial planning services
- ☐ (2) Portfolio management for individuals and/or small businesses
- ☐ (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)
- ☑ (4) Portfolio management for pooled investment vehicles (other than investment companies)
- ☐ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)
- ☐ (6) Pension consulting services
- ☐ (7) Selection of other advisers (including *private fund* managers)
- ☐ (8) Publication of periodicals or newsletters
- ☐ (9) Security ratings or pricing services
- ☐ (10) Market timing services
- ☐ (11) Educational seminars/workshops
- ☐ (12) Other(specify):

Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- ○ 0
- ○ 1 - 10
- ○ 11 - 25
- ○ 26 - 50
- ○ 51 - 100
- ○ 101 - 250
- ○ 251 - 500
- ○ More than 500

If more than 500, how many?
(round to the nearest 500)

In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

Yes No

I. (1) Do you participate in a *wrap fee program*? ○ Yes ◉ No

(2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:

(a) *sponsor* to a *wrap fee program*

$

(b) portfolio manager for a *wrap fee program*?

$

(c) *sponsor* to and portfolio manager for the same *wrap fee program*?

$

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in Section 5.I.(2) of Schedule D.

If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

		Yes	No
J.	(1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments?	○	◉
	(2) Do you report *client* assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management?	○	◉

K. Separately Managed Account *Clients*

	Yes	No
(1) Do you have regulatory assets under management attributable to *clients* other than those listed in Item 5.D.(3)(d)-(f) (separately managed account *clients*)?	○	◉

If yes, complete Section 5.K.(1) of Schedule D.

	Yes	No
(2) Do you engage in borrowing transactions on behalf of any of the separately managed account *clients* that you advise?	○	○

If yes, complete Section 5.K.(2) of Schedule D.

	Yes	No
(3) Do you engage in derivative transactions on behalf of any of the separately managed account *clients* that you advise?	○	○

If yes, complete Section 5.K.(2) of Schedule D.

	Yes	No
(4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management?	○	○

If yes, complete Section 5.K.(3) of Schedule D for each custodian.

L. Marketing Activities

	Yes	No
(1) Do any of your *advertisements* include:		
(a) Performance results?	◉	○
(b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))?	○	◉
(c) *Testimonials* (other than those that satisfy rule 206(4)-1(b)(4)(ii))?	○	◉
(d) *Endorsements* (other than those that satisfy rule 206(4)-1(b)(4)(ii))?	○	◉
(e) *Third-party ratings*?	○	◉
(2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of *testimonials*, *endorsements*, or *third-party ratings*?	○	○
(3) Do any of your *advertisements* include *hypothetical performance* ?	○	◉
(4) Do any of your *advertisements* include *predecessor performance* ?	○	◉

SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies

No Information Filed

SECTION 5.I.(2) *Wrap Fee Programs*

No Information Filed

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least $10 billion in regulatory assets under

management, complete Question (a). If the remaining amount is less than $10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)

Asset Type	Mid-year	End of year
(i) Exchange-Traded Equity Securities	%	%
(ii) Non Exchange-Traded Equity Securities	%	%
(iii) U.S. Government/Agency Bonds	%	%
(iv) U.S. State and Local Bonds	%	%
(v) *Sovereign Bonds*	%	%
(vi) Investment Grade Corporate Bonds	%	%
(vii) Non-Investment Grade Corporate Bonds	%	%
(viii) Derivatives	%	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
(xi) Cash and Cash Equivalents	%	%
(xii) Other	%	%

Generally describe any assets included in "Other"

(b)

Asset Type	End of year
(i) Exchange-Traded Equity Securities	%
(ii) Non Exchange-Traded Equity Securities	%
(iii) U.S. Government/Agency Bonds	%
(iv) U.S. State and Local Bonds	%
(v) *Sovereign Bonds*	%
(vi) Investment Grade Corporate Bonds	%
(vii) Non-Investment Grade Corporate Bonds	%
(viii) Derivatives	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%
(xi) Cash and Cash Equivalents	%
(xii) Other	%

Generally describe any assets included in "Other"

SECTION 5.K.(2) Separately Managed Accounts - Use of *Borrowings*and Derivatives

☐ **No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)**

If your regulatory assets under management attributable to separately managed accounts are at least $10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least $500 million but less than $10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than $10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) *Borrowings*	(3) Derivative Exposures					
			(a) *Interest Rate Derivative*	(b) *Foreign Exchange Derivative*	(c) *Credit Derivative*	(d) *Equity Derivative*	(e) *Commodity Derivative*	(f) *Other Derivative*
Less than 10%	$	$	%	%	%	%	%	%
10-149%	$	$	%	%	%	%	%	%
150% or more	$	$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) *Borrowings*	(3) Derivative Exposures					
			(a) *Interest Rate Derivative*	(b) *Foreign Exchange Derivative*	(c) *Credit Derivative*	(d) *Equity Derivative*	(e) *Commodity Derivative*	(f) *Other Derivative*
Less than 10%	$	$	%	%	%	%	%	%
10-149%	$	$	%	%	%	%	%	%
150% or more	$	$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than $10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) *Borrowings*
Less than 10%	$	$
10-149%	$	$
150% or more	$	$

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

SECTION 5.K.(3) Custodians for Separately Managed Accounts

No Information Filed

Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- ☐ (1) broker-dealer (registered or unregistered)
- ☐ (2) registered representative of a broker-dealer
- ☑ (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (4) futures commission merchant
- ☐ (5) real estate broker, dealer, or agent
- ☐ (6) insurance broker or agent
- ☐ (7) bank (including a separately identifiable department or division of a bank)
- ☐ (8) trust company
- ☐ (9) registered municipal advisor
- ☐ (10) registered security-based swap dealer
- ☐ (11) major security-based swap participant
- ☐ (12) accountant or accounting firm
- ☐ (13) lawyer or law firm
- ☐ (14) other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete Section 6.A. of Schedule D.

		Yes	No
B. (1)	Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?	○	◉
(2)	If yes, is this other business your primary business?	○	○

If "yes," describe this other business on Section 6.B.(2) of Schedule D, and if you engage in this business under a different name, provide that name.

		Yes	No
(3)	Do you sell products or provide services other than investment advice to your advisory *clients*?	○	◉

If "yes," describe this other business on Section 6.B.(3) of Schedule D, and if you engage in this business under a different name, provide that name.

SECTION 6.A. Names of Your Other Businesses

No Information Filed

SECTION 6.B.(2) Description of Primary Business

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

SECTION 6.B.(3) Description of Other Products and Services

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.

If you engage in that business under a different name, provide that name:

Item 7 Financial Industry Affiliations

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

- ☐ (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- ☐ (2) other investment adviser (including financial planners)

- ☐ (3) registered municipal advisor
- ☐ (4) registered security-based swap dealer
- ☐ (5) major security-based swap participant
- ☐ (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (7) futures commission merchant
- ☐ (8) banking or thrift institution
- ☐ (9) trust company
- ☐ (10) accountant or accounting firm
- ☐ (11) lawyer or law firm
- ☐ (12) insurance company or agency
- ☐ (13) pension consultant
- ☐ (14) real estate broker or dealer
- ☐ (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☑ (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).

Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.

For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete Section 7.A. of Schedule D.

You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.

You must complete Section 7.A. of Schedule D for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

SECTION 7.A. Financial Industry Affiliations

Complete a separate Schedule D Section 7.A. for each *related person* listed in Item 7.A.

1. Legal Name of *Related Person*:
CAMSHAFT CAPITAL MANAGEMENT LLC

2. Primary Business Name of *Related Person*:
CAMSHAFT CAPITAL MANAGEMENT LLC

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)
-
or
Other

4. *Related Person's*
(a) *CRD* Number (if any):

(b) CIK Number(s) (if any):
No Information Filed

5. *Related Person* is: (check all that apply)
- (a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
- (b) ☐ other investment adviser (including financial planners)
- (c) ☐ registered municipal advisor
- (d) ☐ registered security-based swap dealer
- (e) ☐ major security-based swap participant
- (f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (g) ☐ futures commission merchant
- (h) ☐ banking or thrift institution
- (i) ☐ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency
- (m) ☐ pension consultant
- (n) ☐ real estate broker or dealer

(o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
(p) ☑ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

	Yes	No
6. Do you *control* or are you *controlled* by the *related person*?	◉	○
7. Are you and the *related person* under common *control*?	◉	○
8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?	○	◉
(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?	○	○

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1: Number and Street 2:
City: State: Country: ZIP+4/Postal Code:
If this address is a private residence, check this box: ☐

	Yes	No
9. (a) If the *related person* is an investment adviser, is it exempt from registration?	○	○
(b) If the answer is yes, under what exemption?		
10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?	○	◉

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

	Yes	No
11. Do you and the *related person* share any *supervised persons*?	◉	○
12. Do you and the *related person* share the same physical location?	◉	○

Item 7 *Private Fund* Reporting

	Yes	No
B. Are you an adviser to any *private fund*?	◉	○

If "yes," then for each private fund that you advise, you must complete a Section 7.B.(1) of Schedule D, except in certain circumstances described in the next sentence and in Instruction 6 of the Instructions to Part 1A. If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete Section 7.B.(2) of Schedule D.

In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.

SECTION 7.B.(1) *Private Fund* Reporting

Funds per Page: 15 Total Funds: 1

A. PRIVATE FUND

Information About the *Private Fund*

1. (a) Name of the *private fund*:
CAMSHAFT CAPITAL FUND, LP
(b) *Private fund* identification number:
(include the "805-" prefix also)
805-3297616498

2. Under the laws of what state or country is the *private fund* organized:

State:	Country:
Delaware	United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

Name of General Partner, Manager, Trustee, or Director

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

No Information Filed

4. The *private fund* (check all that apply; you must check at least one):

☑ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940

☐ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

	Yes	No
6. (a) Is this a "master fund" in a master-feeder arrangement?	○	◉

(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

	Yes	No
(c) Is this a "feeder fund" in a master-feeder arrangement?	○	◉

(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

Private fund identification number:
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

	Yes	No
8. (a) Is this *private fund* a "fund of funds"?	○	◉

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?	○	○

	Yes	No
9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?	○	◉

10. What type of fund is the *private fund*?

◉ hedge fund ○ liquidity fund ○ private equity fund ○ real estate fund ○ securitized asset fund ○ venture capital fund ○ Other *private fund*:

NOTE: For definitions of these fund types, please see Instruction 6 of the Instructions to Part 1A.

11. Current gross asset value of the *private fund*:

$ 595,845,395

Ownership

12. Minimum investment commitment required of an investor in the *private fund*:

$ 2,500,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:
42

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:
3%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:
0%

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? Yes: (selected) No: ( )

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:
0%

Your Advisory Services

17. (a) Are you a subadviser to this *private fund*? Yes: ( ) No: (selected)

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? Yes: ( ) No: (selected)

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

19. Are your *clients* solicited to invest in the *private fund*? Yes: ( ) No: (selected)

NOTE: For purposes of this question, do not consider feeder funds of the private fund.

20. Approximately what percentage of your *clients* has invested in the *private fund*?
0%

Private Offering

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? Yes: (selected) No: ( )

22. If yes, provide the *private fund's* Form D file number (if any):

Form D file number
021-37532

B. SERVICE PROVIDERS

Auditors

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? Yes: (selected) No: ( )

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? Yes: (selected) No: ( )

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:
DELOITTE AND TOUCHE LLP

(c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City:	State:	Country:
COSTA MESA	California	United States

	Yes	No
(d) Is the auditing firm an *independent public accountant*?	◉	○
(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?	◉	○

If yes, Public Company Accounting Oversight Board-Assigned Number:
34

	Yes	No
(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?	◉	○

	Yes	No
(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?	○	◉

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

○ Yes ◉ No ○ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

Prime Broker

	Yes	No
24. (a) Does the *private fund* use one or more prime brokers?	◉	○

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

Additional Prime Broker Information : 3 Record(s) Filed.

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

(b) Name of the prime broker:
INTERACTIVE BROKERS LLC

(c) If the prime broker is registered with the SEC, its registration number:
8 - 47257
CRD Number (if any):
36418

(d) Location of prime broker's office used principally by the *private fund* (city, state and country):

City:	State:	Country:
GREENWICH	Connecticut	United States

	Yes	No
(e) Does this prime broker act as custodian for some or all of the *private fund's* assets?	◉	○

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

(b) Name of the prime broker:
J.P. MORGAN SECURITIES LLC

(c) If the prime broker is registered with the SEC, its registration number:
8 - 35008
CRD Number (if any):
79

(d) Location of prime broker's office used principally by the *private fund* (city, state and country):

City: State: Country:

NEWARK Delaware United States

	Yes	No
(e) Does this prime broker act as custodian for some or all of the *private fund's* assets?	◉	○

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

(b) Name of the prime broker:
MAREX CAPITAL MARKETS INC.

(c) If the prime broker is registered with the SEC, its registration number:
8 - 69039
CRD Number (if any):
161014

(d) Location of prime broker's office used principally by the *private fund* (city, state and country):

City:	State:	Country:
NEW YORK	New York	United States

	Yes	No
(e) Does this prime broker act as custodian for some or all of the *private fund's* assets?	◉	○

Custodian

	Yes	No
25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?	◉	○

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

Additional Custodian Information : 4 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:
J.P. MORGAN SECURITIES LLC

(c) Primary business name of custodian:
J.P. MORGAN SECURITIES LLC

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:	State:	Country:
NEWARK	Delaware	United States

	Yes	No
(e) Is the custodian a *related person* of your firm?	○	◉

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):
8 - 35008
CRD Number (if any):
79

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:
MIDLAND TRUST COMPANY

(c) Primary business name of custodian:
MIDLAND TRUST COMPANY

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:	State:	Country:
FORT MYERS	Florida	United States

	Yes	No
(e) Is the custodian a *related person* of your firm?	○	◉

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):
-
CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:
NORTHERN TRUST SECURITIES, INC.

(c) Primary business name of custodian:
NORTHERN TRUST SECURITIES, INC.

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:	State:	Country:
CHICAGO	Illinois	United States

	Yes	No
(e) Is the custodian a *related person* of your firm?	○	◉

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):
8 - 23689
CRD Number (if any):
7927

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

If the answer to question 25.(a) is "yes," respond to questions (b) through g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:
TEXAS CAPITAL BANK

(c) Primary business name of custodian:
TEXAS CAPITAL BANK

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:	State:	Country:
RICHARDSON	Texas	United States

	Yes	No
(e) Is the custodian a *related person* of your firm?	○	◉

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):
-
CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

Administrator

26. (a) Does the *private fund* use an administrator other than your firm? Yes: (selected) No: ( )

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:
APEX FUND SERVICES

(c) Location of administrator (city, state and country):

City:	State:	Country:
NEW YORK CITY	New York	United States

(d) Is the administrator a *related person* of your firm? Yes: ( ) No: (selected)

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?
(selected) Yes (provided to all investors) ( ) Some (provided to some but not all investors) ( ) No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

100%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes? Yes: (selected) No: ( )

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

Additional Marketer Information : 1 Record(s) Filed.

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer, you must complete questions (b) through (g) separately for each marketer.

(b) Is the marketer a *related person* of your firm? Yes: ( ) No: (selected)

(c) Name of the marketer:
HYDE AND UNION

(d) If the marketer is registered with the SEC, its file number (*e.g.*, 801-, 8-, or 866-):
-
and CRD Number (if any):

(e) Location of the marketer's office used principally by the *private fund* (city, state and country):

City:	State:	Country:
PORTLAND	Oregon	United States

	Yes	No
(f) Does the marketer market the *private fund* through one or more websites?	○	◉

(g) If the answer to question 28.(f) is "yes," list the website address(es):

No Information Filed

Funds per Page: 15 Total Funds: 1

SECTION 7.B.(2) *Private Fund* Reporting

No Information Filed

Item 8 Participation or Interest in *Client* Transactions

In this Item, we request information about your participation and interest in your *clients*' transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

Proprietary Interest in *Client* Transactions

	Yes	No
A. Do you or any *related person*:		
(1) buy securities for yourself from advisory *clients*, or sell securities you own to advisory *clients* (principal transactions)?	○	◉
(2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory *clients*?	○	◉
(3) recommend securities (or other investment products) to advisory *clients* in which you or any *related person* has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))?	○	◉

Sales Interest in *Client* Transactions

	Yes	No
B. Do you or any *related person*:		
(1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory *client* securities are sold to or bought from the brokerage customer (agency cross transactions)?	○	◉
(2) recommend to advisory *clients*, or act as a purchaser representative for advisory *clients* with respect to, the purchase of securities for which you or any *related person* serves as underwriter or general or managing partner?	○	◉
(3) recommend purchase or sale of securities to advisory *clients* for which you or any *related person* has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)?	○	◉

Investment or Brokerage Discretion

	Yes	No
C. Do you or any *related person* have *discretionary authority* to determine the:		
(1) securities to be bought or sold for a *client's* account?	○	◉
(2) amount of securities to be bought or sold for a *client's* account?	○	◉
(3) broker or dealer to be used for a purchase or sale of securities for a *client's* account?	○	◉
(4) commission rates to be paid to a broker or dealer for a *client's* securities transactions?	○	◉
D. If you answer "yes" to C.(3) above, are any of the brokers or dealers *related persons*?	○	○
E. Do you or any *related person* recommend brokers or dealers to *clients*?	○	◉
F. If you answer "yes" to E. above, are any of the brokers or dealers *related persons*?	○	○
G. (1) Do you or any *related person* receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with *client* securities transactions?	○	◉
(2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any *related persons* receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934?	○	○
H. (1) Do you or any *related person*, directly or indirectly, compensate any *person* that is not an *employee* for *client* referrals?	○	◉
(2) Do you or any *related person*, directly or indirectly, provide any *employee* compensation that is specifically related to obtaining *clients* for the firm (cash or non-cash compensation in addition to the *employee's* regular salary)?	○	◉

I. Do you or any *related person*, including any *employee*, directly or indirectly, receive compensation from any *person* (other than you or any *related person*) for *client* referrals? ○ ◉

In your response to Item 8.I., do not include the regular salary you pay to an employee.

In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.

Item 9 Custody

In this Item, we ask you whether you or a *related person* has *custody* of *client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

A. (1) Do you have *custody* of any advisory *clients'*: **Yes No**

(a) cash or bank accounts? ◉ ○

(b) securities? ◉ ○

If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees directly from your clients' accounts, or (ii) a related person has custody of client assets in connection with advisory services you provide to clients, but you have overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)-2(d)(5)) from the related person.

(2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:

U.S. Dollar Amount	Total Number of *Clients*
(a) $ 595,845,395	(b) 1

If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).

B. (1) In connection with advisory services you provide to *clients*, do any of your *related persons* have *custody* of any of your advisory *clients'*: **Yes No**

(a) cash or bank accounts? ○ ◉

(b) securities? ○ ◉

You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).

(2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:

U.S. Dollar Amount	Total Number of *Clients*
(a) $	(b)

C. If you or your *related persons* have *custody* of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:

(1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage. ☑

(2) An *independent public accountant* audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools. ☑

(3) An *independent public accountant* conducts an annual surprise examination of *client* funds and securities. ☐

(4) An *independent public accountant* prepares an internal control report with respect to custodial services when you or your *related persons* are qualified custodians for *client* funds and securities. ☑

If you checked Item 9.C.(2), C.(3) or C.(4), list in Section 9.C. of Schedule D the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in Section 9.C. of Schedule D if you already provided this information with respect to the private funds you advise in Section 7.B.(1) of Schedule D).

D. Do you or your *related person(s)* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*? **Yes No**

(1) you act as a qualified custodian ○ ◉

(2) your *related person(s)* act as qualified custodian(s) ○ ◉

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in Section 7.A. of Schedule D, regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:

F. If you or your *related persons* have *custody* of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons,* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients?*
1

SECTION 9.C. ***Independent Public Accountant***

You must complete the following information for each *independent public accountant* engaged to perform a surprise examination, perform an audit of a pooled investment vehicle that you manage, or prepare an internal control report. You must complete a separate Schedule D Section 9.C. for each *independent public accountant*.

(1) Name of the *independent public accountant*:
DELOITTE AND TOUCHE LLP

(2) The location of the *independent public accountant's* office responsible for the services provided:

Number and Street 1:		Number and Street 2:	
695 TOWN CENTER DR		SUITE 1000	
City:	State:	Country:	ZIP+4/Postal Code:
COSTA MESA	California	United States	92626

	Yes	No
(3) Is the *independent public accountant* registered with the Public Company Accounting Oversight Board?	◉	○

If "yes," Public Company Accounting Oversight Board-Assigned Number:
34

	Yes	No
(4) If "yes" to (3) above, is the *independent public accountant* subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?	◉	○

(5) The *independent public accountant* is engaged to:
A. ☑ audit a pooled investment vehicle
B. ☐ perform a surprise examination of *clients'* assets
C. ☑ prepare an internal control report

(6) Since your last *annual updating amendment*, did all of the reports prepared by the *independent public accountant* that audited the pooled investment vehicle or that examined internal controls contain unqualified opinions?

◉ Yes

○ No

○ Report Not Yet Received

If you check "Report Not Yet Received", you must promptly file an amendment to your Form ADV to update your response when the accountant's report is available.

Item 10 Control Persons

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

	Yes	No
A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?	○	◉

If yes, complete Section 10.A. of Schedule D.

B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D.

SECTION 10.A. ***Control Persons***

No Information Filed

SECTION 10.B. ***Control Person*** **Public Reporting Companies**

No Information Filed

Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

	Yes	No
Do any of the events below involve you or any of your *supervised persons*?	○	◉

For "yes" answers to the following questions, complete a Criminal Action DRP:

	Yes	No
A. In the past ten years, have you or any *advisory affiliate*:		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*?	○	◉
(2) been *charged* with any *felony*?	○	◉

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.

	Yes	No
B. In the past ten years, have you or any *advisory affiliate*:		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a *misdemeanor* involving: investments or an *investment-related* business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	○	◉
(2) been *charged* with a *misdemeanor* listed in Item 11.B.(1)?	○	◉

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.

For "yes" answers to the following questions, complete a Regulatory Action DRP:

	Yes	No
C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:		
(1) *found* you or any *advisory affiliate* to have made a false statement or omission?	○	◉
(2) *found* you or any *advisory affiliate* to have been *involved* in a violation of SEC or CFTC regulations or statutes?	○	◉
(3) *found* you or any *advisory affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?	○	◉
(4) entered an *order* against you or any *advisory affiliate* in connection with *investment-related* activity?	○	◉
(5) imposed a civil money penalty on you or any *advisory affiliate*, or *ordered* you or any *advisory affiliate* to cease and desist from any activity?	○	◉
D. Has any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority*:		
(1) ever *found* you or any *advisory affiliate* to have made a false statement or omission, or been dishonest, unfair, or unethical?	○	◉
(2) ever *found* you or any *advisory affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes?	○	◉
(3) ever *found* you or any *advisory affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?	○	◉
(4) in the past ten years, entered an *order* against you or any *advisory affiliate* in connection with an *investment-related* activity?	○	◉
(5) ever denied, suspended, or revoked your or any *advisory affiliate's* registration or license, or otherwise prevented you or any *advisory affiliate*, by *order*, from associating with an *investment-related* business or restricted your or any *advisory affiliate's* activity?	○	◉
E. Has any *self-regulatory organization* or commodities exchange ever:		
(1) *found* you or any *advisory affiliate* to have made a false statement or omission?	○	◉
(2) *found* you or any *advisory affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the SEC)?	○	◉

(3) *found* you or any *advisory affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?

(4) disciplined you or any *advisory affiliate* by expelling or suspending you or the *advisory affiliate* from membership, barring or suspending you or the *advisory affiliate* from association with other members, or otherwise restricting your or the *advisory affiliate's* activities?

F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any *advisory affiliate* ever been revoked or suspended?

G. Are you or any *advisory affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

H. (1) Has any domestic or foreign court: **Yes No**

(a) in the past ten years, *enjoined* you or any *advisory affiliate* in connection with any *investment-related* activity?

(b) ever *found* that you or any *advisory affiliate* were *involved* in a violation of *investment-related* statutes or regulations?

(c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you or any *advisory affiliate* by a state or *foreign financial regulatory authority*?

(2) Are you or any *advisory affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of Item 11.H.(1)?

Item 12 Small Businesses

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than $25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

Yes No

A. Did you have total assets of $5 million or more on the last day of your most recent fiscal year?

If "yes," you do not need to answer Items 12.B. and 12.C.

B. Do you:

(1) *control* another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of $25 million or more on the last day of its most recent fiscal year?

(2) *control* another *person* (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year?

C. Are you:

(1) *controlled* by or under common *control* with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of $25 million or more on the last day of its most recent fiscal year?

(2) *controlled* by or under common *control* with another *person* (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year?

Schedule A

Direct Owners and Executive Officers

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
   (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
   (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);
   Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to

purchase the security.

(c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;

(d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and

(e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.

3. Do you have any indirect owners to be reported on Schedule B? ○ Yes ◉ No

4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.

5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).

6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more

7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

(c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	**DE/FE/I**	**Title or Status**	**Date Title or Status Acquired MM/YYYY**	**Ownership Code**	***Control Person***	**PR**	***CRD* No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.**
MORTON, WILLIAM, CAMERON	I	CHIEF EXECUTIVE OFFICER, CHIEF COMPLIANCE OFFICER	08/2020	E	Y	N	7692554

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.

2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:

(a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

(b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;

(c) in the case of an owner that is a trust, the trust and each trustee; and

(d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.

4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.

5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).

6. Ownership codes are: C - 25% but less than 50% E - 75% or more
D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)

7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

(c) Complete each column.

No Information Filed

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

Schedule R

No Information Filed

DRP Pages

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

Part 2

Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

	Yes	No
Are you exempt from delivering a brochure to all of your clients under these rules?	○	◉

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
376579	CAMSHAFT CAPITAL ADVISORS LLC - ADV PART 2A	Private funds or pools

Part 3

CRS	Type(s)	Affiliate Info	Retire

There are no CRS filings to display.

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature: WILLIAM MORTON

Date: MM/DD/YYYY 04/18/2023

Printed Name: WILLIAM MORTON

Title: CEO, CCO

Adviser *CRD* Number: 322577

NON-RESIDENT **INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

Date: MM/DD/YYYY

Printed Name:

Title:

Adviser *CRD* Number: 322577

EXHIBIT 22

LinkedIn

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Camshaft Capital Fund, LP

Investment Management

Miami, Florida · 48 followers

Camshaft Capital Fund, LP is a DE registered Hedge Fund.

Follow

About us

Camshaft's investment strategies focus on consistent, diverse, low risk returns modeling, after fees, 18-25%+ yearly to investors. Camshaft Capital has never posted a negative quarter, or even consecutive negative months, while achieving extremely high returns. This is due to the multi-layered diversification of the Fund.

The Fund pursues a mixture of strategies, including trend, contrarian, momentum, swing, and volatility trading. Similarly, the Fund uses intraday, short, mid, and long-term trades to maximize returns. Camshaft Capital finds profits in positive, negative, and even non directional market movements by using arbitrage, options, volatility and derivatives through Indices, Commodities, Futures, Currencies, Bonds, Global Markets, Private Equity, Derivatives, and Debt. Blending non correlated strategies, timeframes, directions, products, sectors, and investment classes minimizes volatility and risk, but not performance.

Join to see who you already know at Camshaft Capital Fund, LP

Join now

Sign in

ensure minimal maximum positional loss of the Fund's capital. This reduces the Fund's risk in a steep market/underlying downturn. Each trade intrinsically has a reward skewed upside significantly greater than the risk taken, allowing Camshaft Capital to achieve an astounding alpha.

Camshaft Capital Fund, LP is a Hedge Fund registered in Delaware organized under section 3(C)(1) of the Investment Company Act of 1940.

Website	http://camshaftcapital.com
Industry	Investment Management
Company size	2-10 employees
Headquarters	Miami, Florida
Type	Privately Held
Founded	2020

Specialties

Investment Management, Asset Management , Quantitative Analysis, and Relationship Management

Locations

Primary

Miami, Florida, US

Get directions

Similar pages

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Ball Engine
Automotive
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Appliances, Electrical, and Electronics Manufacturing
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Precision Camshafts Limited
Industrial Machinery Manufacturing
Solapur, Maharashtra

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344,797 open jobs

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15,562 open jobs

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23,764 open jobs

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Join now

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EXHIBIT 23

DOCUMENT FILED UNDER SEAL

EXHIBIT 24

From: William Morton <william@camshaftcapital.com>
Sent: February 27, 2024 11:47 AM
To: Jianjian Ye; Susheel Kirpalani; *benjaminfinestone@quinnemanuel.com; Christine Botvinnik; *danielholzman@quinnemanuel.com; 'Enos, Kenneth'; 'RBRADY@ycst.com'; Cc: Massey, David B; Schartz, Brian; Howell, Richard U. S.; Bryant, Chris; Shang, Christine; Rathe, Colin B.; Welch, Katie J.; Scherer, Christine; Carter, Elizabeth C; Townsell, Andrew; Terry, Claire; Miller, Evan T.; Shankar, Ravi Subramanian
Subject: Thank you ☺

This message is from an EXTERNAL SENDER

Be cautious, particularly with links and attachments.

Good afternoon all,

I just heard how the 11am hearing went, and it would be a cardinal disrespect to my religious beliefs (which is centered in gratitude), to not express the following. With deepest respect and gratefulness, I express my utmost appreciation to whomever elected (or to the process that resulted in) Quinn Emanual as first chair, and not Kirkland & Ellis in representation of the Plaintiff in the DE Byju's-Camshaft Bankruptcy matter.

It would be an honor to send this person some of the grass fed, free range, Longhorn beef from our family's Montana ranch. Of which, I grew up on, attending to the mother cows who today produce the younglings resulting in the beef I would send.

With highest regards🙂

CAMSHAFT

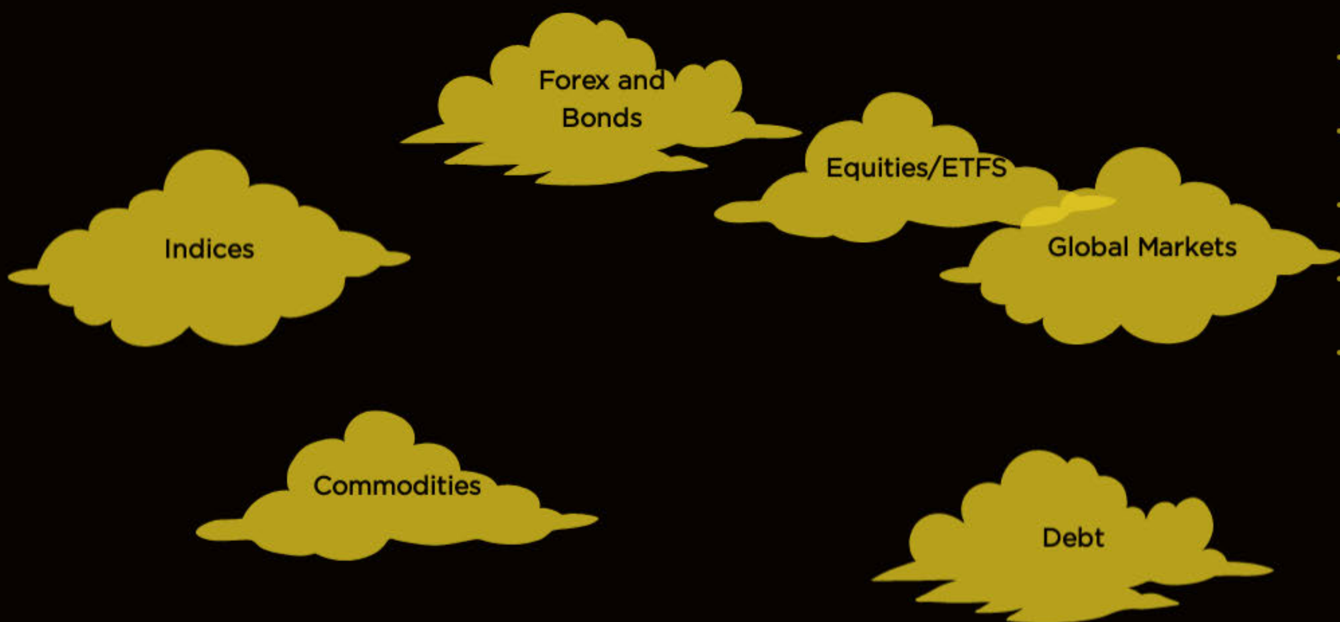
William C. Morton
CEO & CO-CIO

EXHIBIT 25

CAMSHAFT CAPITAL FUND, LP

Consistently outperforming the best through risk averse non-correlated return streams.

ASSET ALLOCATIONS



HOME
EXPOSURES
METHODOLOGY
CONTRARIAN TRADING
TREND TRADING
PARTNERS

- HOME
- EXPOSURES
- METHODOLOGY
- CONTRARIAN TRADING
- TREND TRADING
- PARTNERS

OUR RISK DIVERSIFIED NON-CORRELATED FOCUS

CONTRARIAN TRADING

William Morton
Founder CEO

Trading Experience:

- Equities 17 years
- Options 13 years
- Futures 5 years
- Commodities 4 years

Hobbies:
self-improvement, fitness, basketball, cooking, traveling, trading, reading, writing, storytelling, fine dining, skiing, water activities, hiking/backpacking, meditating, learning new skills, fashion, social gatherings

Time Focus:
Day Trading / Short Term

Methods:
Option writing, volatility trading, swing positions

Favorite instruments:
Long and short: naked puts, calls, /ES, /NQ, /VX, /GC, /CL, /ZT, /ZN, /ZB SPX, NDX, VIX, AAPL, TSLA, GLD, NFLX, BABA, BA, AMZN, NVDA, FB, GOOG, CMG, TLT

Favorite market conditions to trade:
Long and short: naked puts, calls, Earning seasons, panic sell offs, high volatility, news and announcements, 3 day weekend holidays

Strategies Used:
Long and short: naked puts, calls, synthetic long/short, straddles, single/double diagonals, single/double calendars, strangles, skip/iron/long/short butterflies, front ratios, Iron condors, spreads, back ratios, futures, future options, stock shares

Known For:
Contrarian trader: looks to take trades that everyone is afraid to
Shorting the VIX when markets panic

story-telling, fine dining, skiing, water activities, hiking/backpacking, meditating, learning new skills, fashion, social gatherings.

First Trade:

7 years old - long gold

back ratios, futures, future options, stock shares

Known For:

Contrarian trader: looks to take trades that everyone is afraid to

Shorting the VIX when markets panic

Selling intra day expiring index options including condors

Selling ITM options after an earnings report

Fundamental trades taking the opposite side during moments of panic/ high uncertainty

Buying and selling volatility going into earning reports

Selling weekly options

Rolling options into new trade set ups, involving numerous legs and sometimes different securities

Taking only the highest quality trade opportunities- focus is to only lose a trade when an unforeseen outside variable results in a losing trade.

Every trade taken has a planned profit, exit, adjustment, continuation

TREND TRADING

Jason Perz
Co-CIO

Trading Experience:

- Equities 13 years
- Options 7 years
- Futures 6 years
- Blockchain 5 years
- Commodities 13 years

Time Focus:

Position trading (3-12 months). Swing trading(2 weeks-2 months)

Methods:

Systematic fundamentals, Quant strategies, back testing, Cross asset class and intermarket analysis.

Favorite instruments:

Anything and everything. I trade sugar and treasury bonds exactly the same.

Favorite market conditions to trade:

A smooth trending market. (I can dream)

Strategies Used:

Agriculture arbitrage. Inverse correlations in products-(cattle/corn)

- Equities 13 years
- Options 7 years
- Futures 6 years
- Blockchain 5 years
- Commodities 13 years

Hobbies:

BMX, skiing, philosophy, history, reading, traveling

First Trade:

I have silver and gold that i got when I was 11 years old.

Favorite market conditions to trade:

A smooth trending market. (I can dream)

Strategies Used:

Agriculture arbitrage. Inverse correlations in products-(cattle/corn) for example Event driven Macro trades (Fukushima, unexpected weather events, geopolitical changes) Trend following-buying the highs and selling the lows. (Catches big moves that others won't hold on to) Cyclical mean reversion-the world moves in cycles and trends. At a certain point everything changes --which leads myself to constantly search for value. Market timing-using breadth indicators, sentiment and price.

Known For:

Finding asymmetrical returns in choppy markets.

Cyclical trade ideas. Finding something that is over extended and buying something that is extremely undervalued. (In January 2018 our signals said that Bitcoin was extremely extended and sold our Bitcoin and bought gold and gold miners.)

Taking advantage of extreme market sentiment-Shorting the Nasdaq in the crash of 2020.

Selling puts on gold and gold miners after the crash.

Buying December penny puts on Apple in 2018.

Finding what countries will outperform each year: In 2019 we chose Russia, Greece and Brazil.

Using demographics to find new and exciting countries to invest in.

OUR PARTNERS

ABOUT CAMSHAFT CAPITAL

Camshaft Capital Fund, LP is a Hedge Fund. The Fund's primary asset exposure includes Indices, equities, commodities, forex, bonds, global markets and debt.

Contact Us

STRATEGIES

Contrarian Trading
Trend Trading

ABOUT US

Methodology
Exposures

PRESENCE

Miami, FL
San Diego, CA
Mexico, Brazil, Australia

- HOME
- EXPOSURES
- METHODOLOGY
- CONTRARIAN TRADING
- TREND TRADING
- PARTNERS

ABOUT CAMSHAFT CAPITAL

Camshaft Capital Fund, LP is a Hedge Fund. The Fund's primary asset exposure includes Indices, equities, commodities, forex, bonds, global markets and debt.

Contact Us

STRATEGIES

Contrarian Trading
Trend Trading

ABOUT US

Methodology
Exposures

PRESENCE

Miami, FL
San Diego, CA
Mexico, Brazil, Australia

Document title: Camshaft Capital
Capture URL: https://web.archive.org/web/20230606004505/https://www.camshaftcapital.com/
Capture timestamp (UTC): Thu, 31 Aug 2023 23:31:13 GMT
Estimated post date: 06/06/2023 12:45:05 AM

EXHIBIT 26

HOME HEDGE FUNDS BROKER DEALER CONSULTING CONTACT APEX

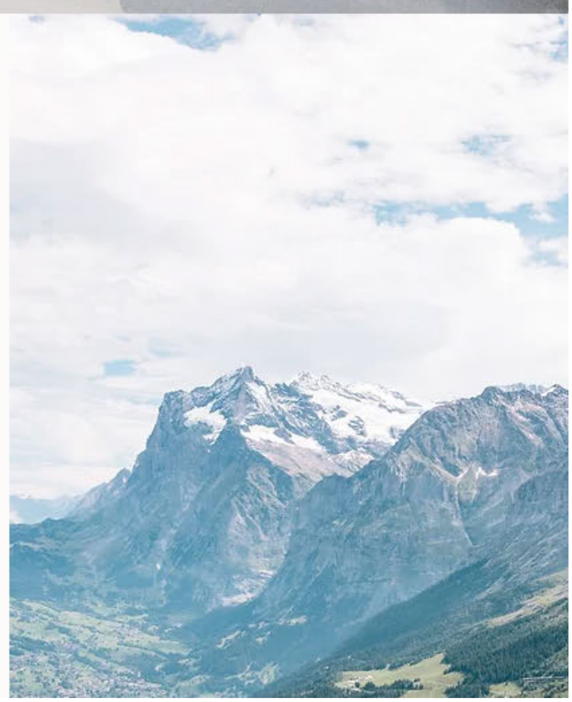
Camshaft Group

HEDGE FUND BROKER DEALER CONSULTING

Outperforming our peers with risk-averse, diversified return streams.

Camshaft Group provides comprehensive financial solutions across three core verticals: Hedge Funds, Broker Dealer Services, and Consulting.

The Hedge Fund division specializes in delivering true diversification. We curate a portfolio that encompasses Liquid Portfolio, Private Credit, Life Sciences, and Commercial Real Estate - optimizing returns through rigorous risk tests

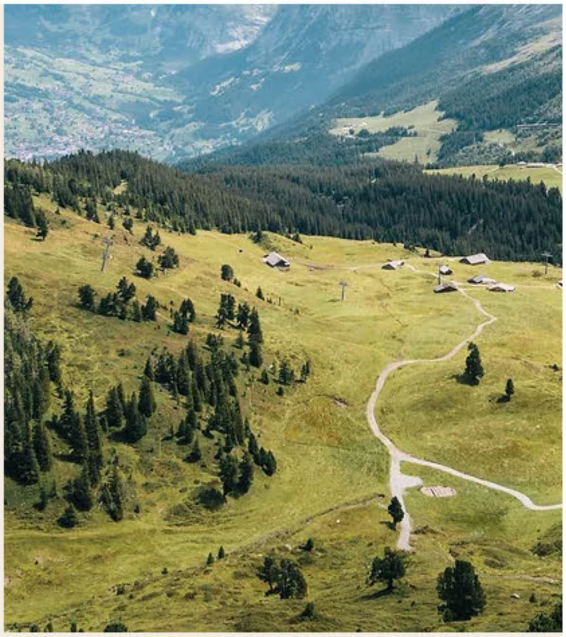


The Hedge Fund division specializes in delivering true diversification. We curate a portfolio that encompasses Liquid Portfolio, Private Credit, Life Sciences, and Commercial Real Estate - optimizing returns through rigorous risk tests.

Our Broker Dealer service offers capital markets, structuring, consulting, and upcoming IPO capacity. Our experienced team and extensive network identify opportunities that meet our stringent risk criteria, providing top-notch guidance to clients.

The Consulting division caters to diverse needs, offering services such as Synthetic Debt, Service Partners, Consumer Data, Middle Office, Automation, Recruiting, and Marketing. Leveraging our growing network, we enhance portfolio value and empower businesses to thrive.

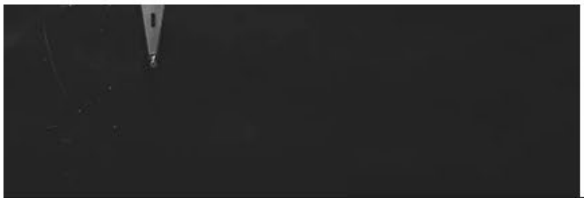
"Much like a camshaft generates power to an engine, the Camshaft Group generates alpha across financial markets with efficiency, fluidity, and precision execution" - William Morton CEO



Partn

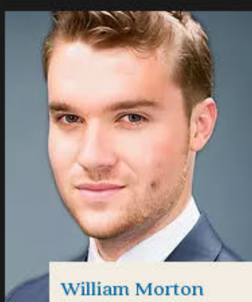
We are cc
secure, ef
achieve tl
leaders fr
range of

ACI APEX Deloitte. J.P.Morgan Hogan Lovells



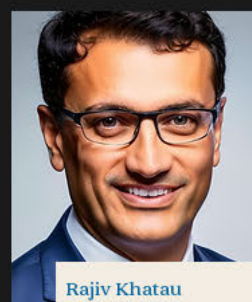
Meet the *people* behind Camshaft

Specialized backgrounds make the team innovative, and our laser-focus on finding market opportunities drives success.

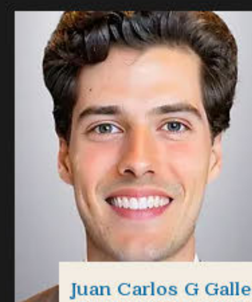


William Morton
FOUNDER CEO - CAMSHAFT GROUP

Robert Forte
MANAGING DIRECTOR - CAPITAL MARKETS

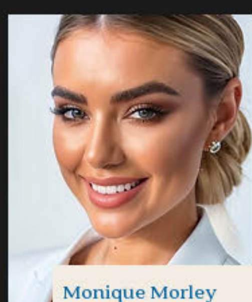


Rajiv Khatau
CIO & CO-GP - LIFE SCIENCES

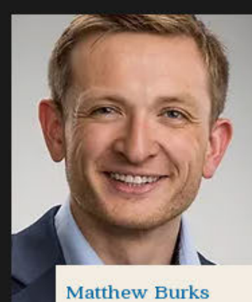


Juan Carlos G Gallego
MANAGING DIRECTOR, HEAD OF MEXICO

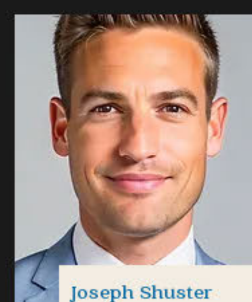
Luiz Phelipe Zobgi
DIRECTOR, HEAD OF BRAZIL



Monique Morley
CHIEF OF STAFF - CAMSHAFT GROUP



Matthew Burks
VP OPERATIONS - CAMSHAFT GROUP

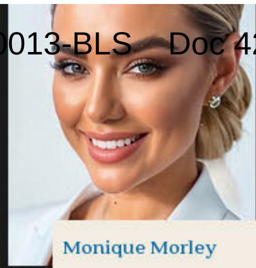


Joseph Shuster
CO GENERAL PARTNER - REAL ESTATE

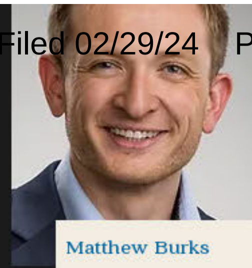
Sean Teeling
CO GENERAL PARTNER - REAL ESTATE

Jamey Jacob
SME — AEROSPACE ENGINEERING & ROBOTICS

Luiz Phelipe Zobgi
DIRECTOR, HEAD OF BRAZIL



Monique Morley
CHIEF OF STAFF - CAMSHAFT GROUP



Matthew Burks
VP OPERATIONS - CAMSHAFT GROUP

Joseph Shuster
CO GENERAL PARTNER - REAL ESTATE

Sean Teeling
CO GENERAL PARTNER - REAL ESTATE

Jamey Jacob
SME — AEROSPACE ENGINEERING & ROBOTICS

Let's talk about what we can do together.

St.Thomas, USVI
Miami, FL, USA
Pittsburg, PA, USA
San Diego, CA, USA
Monterrey, Mexico
Sao Paulo, Brazil
London, United Kingdom

support@camshaftgroup.com

First Name

Last Name

Email *

Message

Send

Camshaft Capital Advisors ADV Filing

EXHIBIT 27

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

GLAS TRUST COMPANY LLC, in its capacity as Administrative Agent and Collateral Agent, and TIMOTHY R. POHL, :
Plaintiffs, :
v : C. A. No. 2023-0488-MTZ
RIJU RAVINDRAN, BYJU'S ALPHA, INC., and TANGIBLE PLAY, INC., :
Defendants. :

\- - -

Chancery Court Chambers
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Friday, August 4, 2023
9:15 a.m.

\- - -

BEFORE: HON. MORGAN T. ZURN, Vice Chancellor

\- - -

SECTION 225 TRIAL TRANSCRIPT

CHANCERY COURT REPORTERS
Leonard L. Williams Justice Center
500 North King Street - Suite 11400
Wilmington, Delaware 19801
(302) 255-0526

APPEARANCES:

BROCK E. CZESCHIN, ESQ.
NICOLE M. HENRY, ESQ.
Richards, Layton & Finger, PA
for Plaintiff Timothy R. Pohl

LAUREN K. NEAL, ESQ.
ELIZABETH A. MULLIN,ESQ.
Morris, Nichols, Arsht & Tunnell LLP
-and-
PATRICK C. ASHBY, ESQ.
of the New York Bar
Linklaters LLP
for Plaintiff GLAS Trust Company LLC

JOSEPH B. CICERO, ESQ.
Chipman Brown Cicero & Cole LLP
-and-
SHERON KORPUS, ESQ.
DAVID M. MAX, ESQ.
SONDRA GRIGSBY, ESQ.
of the New York Bar
Kasowitz Benson Torres LLP
for Defendants

\- - -

THE COURT: Good morning.

VARIOUS COUNSEL: Good morning, Your Honor.

ATTORNEY CICERO: Good morning, Your Honor. Joe Cicero from Chipman Brown Cicero & Cole on behalf of the defendants. Thank you for having us today.

I wanted to first do introductions of my co-counsel. Sheron Korpus, David Max, and Sondra Grigsby from Kasowitz Benson Torres.

THE COURT: Welcome.

ATTORNEY CICERO: Thank you.

ATTORNEY NEAL: Good morning, Your Honor. Lauren Neal from Morris Nichols Arsht & Tunnell. And with me today is my co-counsel from Linklaters, Patrick Ashby, and my colleague Elizabeth Mullin.

THE COURT: Thank you, good morning.

ATTORNEY CZESCHIN: Good morning, Your Honor. Brock Czeschin from Richards, Layton & Finger on behalf of plaintiff Timothy Pohl. With me in the courtroom today is my colleague Nicole Henry and also Sean Quigley, who will be helping with the presentation.

THE COURT: Thank you. Good morning.

ATTORNEY CZESCHIN: And with Your Honor's permission, I can present the argument on behalf of the plaintiffs.

THE COURT: Yes, thank you.

ATTORNEY CZESCHIN: So as Your Honor is aware --

THE COURT: Do you have a copy of these slides?

ATTORNEY CZESCHIN: I do. We have several copies. They were provided to the other side last evening.

So as Your Honor is aware, the plaintiffs brought this action pursuant to Section 225 of the Delaware General Corporation Law to confirm that actions that were taken by GLAS to assume control of 100 percent of the stock of BYJU's Alpha and use that control to remove Mr. Ravindran as the sole director and appoint Mr. Pohl as the sole director of the company, that those actions were valid and effective; as well as certain related actions that happened after that, such as Mr. Pohl executing a written consent to remove the existing officers -- which, again -- was Mr. Ravindran, and appoint himself

to that role.

So the validity of these actions turns on two key issues. And we have them there on the slide. The first is were there events of default under the BYJU's Alpha credit agreement that entitled GLAS to exercise its contractual right to assume control of the company; and, second, whether GLAS properly exercised its contractual rights from a mechanical point of view to remove Ravindran and appoint Pohl.

And unlike many 225 cases, the defendants do not challenge or make any arguments with respect to the second point, the mechanical steps. Instead, the defendants only focus on the first point, which is whether or not there were events of default that entitled GLAS to take the actions that it did.

And on that point, we think that the key legal principle that the Court should focus on is that sophisticated parties with sophisticated advisors should be held to the terms of their agreement.

Now, that's the principle that decides this case. That's a bedrock principle of New York and Delaware law. And it's particularly applicable here because we have sophisticated parties. We have BYJU's

on the other side. That's the conglomerate that's made up of Think and Learn, is the parent entity, and its subsidiaries. And you have BYJU's Alpha, which was an indirect, wholly owned subsidiary; and Tangible Play, which is another, I believe, wholly owned subsidiary. And together they are referred to as "BYJU's."

It's the world's largest education technology company. They were recently valued at $22 billion. They had the best lawyers that money could buy. They were represented by White & Case during the negotiation of the credit agreement. They also had Indian counsel that is noted on the slide.

And this -- the underlying transaction is a big transaction. It's a $1.2 billion syndicated term loan. And because it's a syndicated term loan, that means it's -- well, originally there were 37 large financial institutions that invested into the term loan. But because it's syndicated, it trades, and new investors come in and old investors go out of the facility over time.

And I think the syndicated nature of that term loan highlights why it's so important to apply the contract as it's written. Because new

investors coming into the term loan, the only thing that they have to understand their rights is to look at the credit agreement itself.

Now, going to the next slide --

THE COURT: Does that aspect of these new investors coming around, and the fact that this is syndicated, is there a foothold for that in the New York law that has to do with unconscionability and the estoppel doctrine and some of these other squishier aspects that we're going to be talking about?

ATTORNEY CZESCHIN: There is. There is a case that we cite in our brief. I don't have it off the top of my head, but that says -- I don't know if it's exactly in the context of talking about some of the squishy doctrines, but it highlights the fact that when you have a syndicated facility, loan, that it's important to apply the words as they are written. And I can get you that cite when I get back up. But that is something that the New York courts have recognized.

And I'm just going to grab my water.

THE COURT: Sure.

ATTORNEY CZESCHIN: We think the key facts here that decide the case are, you know, BYJU's

has repeatedly conceded that the events of default occurred, and they have conceded GLAS's right to exercise the remedies. Defendants try to ignore the amendments that have been entered into over the past year to the credit agreement. They don't even address them in the brief. They're in two footnotes, is where they're mentioned.

But over this past year, while the parties were trying to negotiate a resolution, they entered into a series of eight amendments to the credit agreement. And in those amendments, the defendants admit that there have been events of default. They also admit that those events of default don't get cured and that they become -- well, there were defaults that matured into events of default that entitle -- that's the word that's used in the amendments -- entitle GLAS to exercise its contractual remedies.

And those are concessions that we think, you know, resolve this case. And we're going to get to those in more detail.

So the first amendment that is really important is Amendment No. 2, and it was entered into on October 12th, 2022, and it adds a new definition to

the credit agreement. And that's JX 168. It adds a new definition to the credit agreement for "Specified Defaults." And the parties also agree that those specified defaults will effectively be governed by an amended cure period, which extends the cure period in the original agreement.

So, Sean, if you could pull up JX 168, we will take a look at the actual language. So here's the document. You see it's Amendment No. 2, dated October 12, 2022. And if we could focus on Section 1 at the bottom.

Section 1 says, "Amendments to the Credit Agreement." This is amending the credit agreement. And it says, "Specified Defaults." And they use the term "Specified Defaults." They don't use the term "Specified Nonmaterial Breaches of Contract," which is what the other side is trying to say. They use the term "Defaults."

And if you then look at (a), the first listed default is "the failure to deliver to the Administrative Agent, as required under Section 5.1(a) [of the credit agreement], the audited financials and other information for the fiscal year of the Parent Guarantor ended March 31, []."

So this refers back to the credit agreement the obligation for BYJU's to provide audited financial statements every year within, I believe it's 180 days of the end of their fiscal year. And that time period had expired on September 27th of 2022. So at the time this amendment is being entered into, that default has already occurred. That's why they're referring to it here as a specified default, because it had already happened.

They did not provide their audited financials on time -- and there's no dispute about that. It's actually a stipulation in the pretrial order stipulated facts. There's no dispute. They were required to provide the audited financials by September 27, 2022. They didn't do it. They haven't even provided them as of today. More than ten months later, we still don't have those audited financials. And that is another stipulated fact in the pretrial order. There's no dispute, we just don't have them.

So then you go on to (b), and you see "the failure to deliver to the Administrative Agent, as required under Section 5.1(b), the full and complete unaudited financials ...."

So what this is referring to is in the

credit agreement, on a quarterly basis, they are also obligated to provide unaudited financials. And they failed to provide complete audited financials in -- during two of the quarters.

So if you keep going and flip over to the next page, Sean.

So at the top there, you see it references the fiscal quarters for the parent guarantor ended on December 31 and on June 30th, 2022. And those quarterly financials are due 75 days at the end, after the end of the quarter. And again, those periods had already run at the time this document was signed. And those documents -- those financials that were provided were not compliant with the contract. They didn't include all of the information we were supposed to get.

And there's really no dispute about that either. Actually, in their answer in this case, they admit that in the first -- the first quarter that's mentioned there, they didn't provide us everything that they said they would provide us. They deny it as to the second quarter, but you can just look at the document and it's clear they didn't give us everything that we were entitled to.

So that's the second specified default. And then if you go down to subpart (c), you see the third specified default. And this refers to Whitehat India, which is another subsidiary of Think and Learn, and that it had failed to accede to the agreement and the onshore guarantee deed as a guarantor, pursuant to Section 5.9(c) of the credit agreement.

What this refers to is in the credit agreement, 5.9(c), this additional subsidiary of Think and Learn was supposed to sign on as an additional guarantor of the loan by April 1, 2022, and it failed to do so.

Now, that date, the lenders in Amendment No. 1, which we skipped over, the lenders had agreed not to enforce that obligation until October 8th, 2022. But, again, they missed that date as well. And, again, both of those things are stipulated facts in the pretrial order. They did not get the Whitehat guarantee by April 1. They didn't get the Whitehat guarantee by October 8th. And they still don't have the Whitehat guarantee as of today. So none of those things are disputed.

Now, if we can bring that down and go

to the bottom of that page, you see Section (c). Section (c) amends Section 8.1(e) of the credit agreement. And what this language essentially does is provides an extended cure period for the specified defaults. It says no matter when the specified defaults occurred or when notice was given of them, you had 45 days to cure them. And basically that's giving them an extended cure period for the specified defaults. But I think it's important to look at what this is amending. So, again, this is amending Section 8.1(e) of the credit agreement. And let's take a look at that section of the credit agreement.

Sean, can you bring this document down and then bring up JX 21.

And if you could scroll to the second page. So this, Your Honor, is the credit agreement, the primary document. It's dated November 24, 2021. That's JX 21. If you could jump to page 129 of the JX. That's it. This is the article that's being amended, the other article that's being amended by that amendment. And it's called "Article VIII Events of Default."

And it starts out "Events of Default. If any of the following events (each, an 'Event of

Default') shall occur:" And then the new language from the amendment that we looked at gets added to paragraph (e) down there, that's where the new language would be added, with regards to the "Specified Defaults."

So the fact that they put the reference to the "Specified Defaults" in the section of the contract that deals with events of default, that proves that the parties intended those to be defaults. And if they weren't cured, they would become events of defaults. That's the way the contract works. If you breach it, that's a default. But then there's a cure period. And if you don't cure within that period, it matures into an event of default.

So the argument that we have from the other side today that, well, these things weren't real defaults is clearly wrong. The parties put the language right in the section of the contract that deals with events of default.

THE COURT: I understood your argument when you began, under Section 1(a) of the second amendment, to say, well, look, these are defined already as specified defaults, so the rabbit is in the

hat and they are defaults and we're moving on.

ATTORNEY CZESCHIN: Yes.

THE COURT: But now I understand this to be slightly different, which is when we're looking at 8.1(e), that because we're amending 8.1(e), which provides the cure period, it's not a default until such time as we get to the end of the amended cure period.

ATTORNEY CZESCHIN: That's exactly right. So the way the contract distinguishes between defaults -- so something is a default when you don't do what you're supposed to do. It's a breach. But then that default matures into an event of default once the cure period has expired. And once you have an event of default, then GLAS, as the agent for the lenders, is able to send a notice of default and acceleration. And that's what triggers the contractual remedies.

So they have these specified defaults, things that have already happened. They define them as defaults, and they stick the cure period in the section of the contract that expressly deals with events of default.

And then, as Your Honor mentioned, it

doesn't actually become a default until the cure period expires.

So could we go back to the PowerPoint.

So here, we were on Amendment No. 2. Let's go to Amendment No. 3. Amendment No. 3 is exactly 45 days after Amendment No. 2. And that's because the 45-day period expired on November 24th, 2022, and there was no cure of the specified defaults. And so, therefore, on that day, the parties enter into Amendment No. 3.

And in Amendment No. 3, BYJU's acknowledges and agrees that the cure period has expired without the specified defaults being cured. And then it goes on and it says that they acknowledge and agree that, therefore, GLAS is entitled to send a notice of default and acceleration. So they recognize right there that it's an event of default and we're entitled to accelerate the loan. And then, but nonetheless, the lenders agree to forbear.

So just to look at the actual language of the document, it's JX 175. Here you see Amendment No. 3, November 24th, 2022. If we go to page 2. And you have Section 1(a) at the top.

And it says, "It is hereby

acknowledged and agreed by the parties hereto that (i) the Cure Period for ... the Specified Defaults referred to in Amendment No. 2 will expire or has expired on November 24, 2022" -- that's the date of this No. 3 amendment -- "without any of the Specified Defaults being cured by the Loan Parties, and (ii) [says] the Required Lenders will be or are therefore entitled" -- entitled -- "to, on or from November 25, 2022, request the Administrative Agent to deliver to the Loan Parties the Specified Notice of Default and Acceleration."

So they admit that they didn't cure within the period, and, therefore, GLAS is entitled to call the notice of default and accelerate the loan.

Now, this document is actually signed by the defendant. And if we can go to page 5. This document is signed by -- that's Riju's signature, Riju Ravindran. And it's signed by him on behalf of Think and Learn, which is the parent entity, and on behalf of all the loan parties, and that includes BYJU's Alpha and Tangible Play. So, again, we think they have just simply conceded these events of default.

So if we could go back to the PowerPoint, the parties throughout this entire period

have been trying to negotiate a resolution. The lenders, advisors have been engaging with the advisors for the company trying to negotiate terms of a revised credit agreement that resolves these defaults and resolves the concerns of the lenders. And we saw that there was, you know, the extended cure period, then there was a forbearance to December 1st. We get to December 1st, and the forbearance period expires, but the parties are still talking. So they decide to enter into another amendment on January 6th.

And this is called Amendment No. 7. And in this amendment, the other side again acknowledges and agrees that the lenders are entitled to send the notice of default and acceleration. And they further agree that none of the specified defaults can be cured or remedied or deemed to be cured and remedied after the date of that amendment. And then the lenders and GLAS agree to forbear again. They push it out by another -- a little over a month, to February 10.

So let's look at the actual document, Sean. It's JX 187.

So here is the actual document. It's called "Amendment No. 7 ... and Forbearance

Agreement." It's dated January 6. And if you go down to the bottom whereas clause, you see it refers to the "Specified Defaults" that we looked at in Amendment No. 2. It refers to the "Cure Period" from Amendment No. 3.

And then if you go to kind of in the middle, it says -- where you see "and such Cure Period." "And such Cure Period expired without the specified defaults being cured, and, therefore, from November 25th, the Lenders are" -- I lost my spot -- "which entitles," I'm sorry. There it is, "which entitles the Required Lenders to, [or] on ... November 25, 2022, [to] request the Administrative Agent to deliver to the Loan Parties a notice of acceleration with respect to the Specified Defaults ...."

It's very similar to the language we saw before, admitting that GLAS is entitled to send the notice. And it's that notice that triggers all of the contractual remedies.

If we could then go to page 6 of the document. You see paragraph 3. If we could blow that up.

It says, "It is hereby acknowledged

and agreed by the parties ...." Again, that the cure period has expired.

And then if you go to (ii), it says, "notwithstanding any actions or otherwise by the Parent Guarantor or any other Person following the date of this Agreement" -- I will skip down, skip the parenthetical -- it says, "none of the Specified Defaults as referred to in the Amendment No. 2 can be cured or remedied (or deemed to be cured or remedied) following the date of this Agreement other than by waiver by the Required Lenders in accordance with Section 10.2 of the Credit Agreement."

And what this means is the parties agreed it's now just too late. It's too late to cure. It's been going on too long, and the other side no longer has the right to cure these defaults. And as we saw earlier, it says that they -- that GLAS is entitled to send the notice of default and acceleration.

And if we could go to the end of this document, you will see that it, too, is signed by Mr. Riju. That's page 19. So it signed by Riju Ravindran in the same manner as the prior document.

And I want to pause here with regards

to this signature by Mr. Riju, Riju Ravindran, and make a note that I took his deposition in this matter and I asked him about this amendment, and I asked him about the prior amendment that he signed. And he disavowed any understanding of the documents that he signed. He said they are prepared by counsel; I don't know what these mean. And that's at deposition pages 125 to 127, page 129, and page 144 to 147.

Mr. Ravindran also walked away from the credit agreement itself, which he signed four times. He signed it on behalf of four different entities. But when I tried to ask him about it, he said, "I just glanced at it," was the language that he used, and that he relied on others. And that's at page 51 of the deposition.

Mr. Ravindran, also under the credit agreement, provided certain compliance certificates to GLAS and the lenders. And those compliance certificates were supposed to say that the financial statements that were provided -- you know, they did provide some financial information, and those compliance certificates were supposed to verify that that information is true and correct. And Mr. Riju Ravindran signed them.

And he signed them as an officer, a financial officer of Think and Learn, is what it says, on the document. And I asked him, are you a financial officer of Think and Learn?

He said, no, I'm not part of the finance department.

I asked him probably three times, are you a financial officer?

No.

And I said, well, why did you sign this as a financial officer?

He said, I was relying on the finance team. And that's at page 170 of the transcript.

And finally, Mr. Ravindran also testified that even though he was the sole officer and director of BYJU's Alpha, which is the borrower, he said the decisions weren't made by him. He said the decisions with respect to BYJU's Alpha were made by the parent at Think and Learn. And that is at deposition transcript cite page 155.

So Mr. Ravindran apparently has a habit of signing documents that he does not understand and that he doesn't read.

So if we could take that down and go

back to the PowerPoint.

THE COURT: Your last point about the role of Think and Learn in all of this, is it -- it seemed to be, though, that everyone agreed that this entity that signed these agreements is essentially just a holdco for the loan.

ATTORNEY CZESCHIN: Yes, BYJU's Alpha is a wholly owned, indirect subsidiary of Think and Learn. It was formed for the sole purpose of being the borrower under the loan.

THE COURT: So it's not surprising that it's not the one actually making sort of the business decisions about how to handle the loan.

ATTORNEY CZESCHIN: Perhaps. But it is surprising that Mr. Riju Ravindran, who is also a director of Think and Learn, he is on the board of Think and Learn, as well, and he signed a lot of these documents. And he literally said, I don't know. I can't tell you what this means. I have no understanding of this document. And he just disallowed them completely.

I think that becomes relevant to the extent we might hear from the other side that they are going to rely on some of his declarations that have

been signed in this case. And we object to those declarations as hearsay. The parties agreed in the pretrial order that depositions could be relied on. We didn't say anything about the declarations that Mr. Ravindran signed. And we think it's pretty clear he just signs things that are drafted by other people. So that's why we are objecting to those declarations.

THE COURT: Does the record contain any testimony or exhibits from the Think and Learn decision-makers?

ATTORNEY CZESCHIN: I mean, certainly there are exhibits that show the Think and Learn. I mean, the other side was represented by White & Case as their counsel, very sophisticated law firm. So there's a lot of back and forth between the parties that's in the documents. White & Case is also counsel for Think and Learn.

The parties have pretty much agreed that it's a -- it's a conglomerate. It's essentially one entity that is referred to as BYJU's by both sides, being Think and Learn and its wholly owned subsidiaries. And they were represented by White & Case, and they -- there's a lot of documents in the record with White & Case negotiating with the

law firm on the other side, which was Linklaters.

THE COURT: I suppose what I was trying to figure out -- and again, when we do these trials on a paper record, and especially because I only have one round of briefing, you-all know a lot more than I do. What I'm trying to figure out is, I've heard you say, well, Mr. Ravindran, he signed these things; he's disallowing responsibility. The responsibility goes up the chain to Think and Learn. And to what extent was the significance or meaning of these documents explored with Think and Learn decision-makers in this action?

ATTORNEY CZESCHIN: Well, again, other than Mr. Ravindran, there were no other depositions of the other side. But Mr. Ravindran is a director of Think and Learn. And he's a founder of Think and Learn, and he signs the documents. I think he -- I mean, he has authority at Think and Learn. He just didn't want to answer my questions. So he just said he didn't understand any of the documents.

So going on to the PowerPoint, if that addressed Your Honor's concern.

THE COURT: Thank you.

ATTORNEY CZESCHIN: Again, as I said

before, there were negotiations going on for an extended period of time, and that's when all of these amendments were being signed, as the parties were trying to get to a negotiated resolution. And during that time period, the lenders had very legitimate concerns.

And these were testified to and are in the record, because they took the deposition of Mr. Stephen Spencer, and he was the financial advisor to the lenders from Houlihan Lokey. And he was involved in the negotiations when these amendments were signed. And he explained the concerns of the lenders.

And the lenders were concerned by the lack of financial reporting that they were getting from the other side, and they were concerned about potential performance issues at the company, particularly cash flow. They were worried that maybe the cash flow wasn't what they initially had been told, and they were worried that they weren't getting updated financials and that the cash flow had been declining.

And Mr. Spencer also said that the longer it took them to provide financials -- they

didn't get the audited financials on time, and they weren't getting compliant quarterly financials. So he makes clear in these quotes on the slide that as a financial professional, and the lenders as lenders, the longer this went on that they weren't getting the information from BYJU's, the more concerned they became about the financial condition of the company.

And I think that's a very legitimate -- legitimate concern on behalf of the lenders.

So then, eventually, the parties had been discussing for over eight months, and the negotiations had just ceased to be productive. So the "Required Lenders" -- and that's a defined term in the credit agreement, and it means lenders holding more than 50 percent of the outstanding term loans. Remember, the loan is syndicated, so there's a lot of different holders, and you have to get more than 50 percent to sign on to direct GLAS to exercise contractual remedies.

So on March 3rd, they go ahead and do that. And GLAS then sends to BYJU's a notice of default and a notice of acceleration. And upon the delivery of that document is when the principal

balance of the term loans, which was nearly $1.2 billion, became due and payable immediately.

And then we go to the next slide --

THE COURT: Before we move on, could you explain to me your understanding of BYJU's ability to disqualify lenders up until this point.

ATTORNEY CZESCHIN: Sure. Under the credit agreement, there is a disqualification provision. And they are able to send a notice, I believe, to GLAS and identify a lender that they want to be disqualified. They never did that during this entire eight months of negotiation. Even though, you know, today they're saying, oh, the lenders were being mean to us, they were oppressing us, they were acting like vulture funds; they had the power back then to disqualify lenders, or at least try to disqualify lenders. They didn't do it.

THE COURT: Did any of the amendments speak to the power to disqualify?

ATTORNEY CZESCHIN: None of the amendments took that power away.

THE COURT: Did they speak to it?

ATTORNEY CZESCHIN: I don't know. I'd have to double-check, Your Honor, but I'm pretty sure

that they don't take that power away. I will confirm whether or not there's any mention of the disqualification in the amendments.

But they didn't exercise that right until after this litigation was filed. After the litigation was filed, a couple months after, they purport to send a notice of disqualification. But during the time period when they say the oppression was happening, they didn't do anything to exercise their disqualification right that, you know, could affect the lender's rights. So I think that's significant as to the merits of their duress arguments.

So moving on to the next slide.

The notice of default -- so the notice of default, when it gets delivered, it has a number of effects. One is it causes the loan to accelerate. But the other is that it's a trigger event under the security agreement and the pledge agreement. So when that notice of default gets delivered, GLAS becomes authorized to vote all of the pledged shares. And the pledged shares are 100 percent of the stock of BYJU's Alpha.

Now, in the documents, BYJU's Pte. --

which is the direct parent of BYJU's Alpha, and then Think and Learn is above that -- BYJU's Pte. also said in the documents that it irrevocably appoints GLAS as its attorney-in-fact to take all actions necessary to accomplish all purposes of the pledge agreement. And then, in Section 7.1 of the pledge agreement, it expressly says that GLAS has the power to transfer all or any portion of the pledged collateral to its own name.

And then we go to the next slide and we see that GLAS actually goes ahead and does each of these things. It completes a stock certificate that had been provided in the documents in blank form; it goes ahead and fills it out. It fills out a stock power and it delivers it to BYJU's, which transfers the shares to GLAS.

In case that transfer was delayed in being recognized, they also signed a -- an irrevocable proxy appointing GLAS as BYJU's attorney-in-fact, with power over the shares. They then sign a stockholder written consent that removes Mr. Ravindran and appoints Mr. Pohl, and then Mr. Pohl, as the sole director, signs a written consent that, again, removes Mr. Ravindran as an officer and appoints himself.

And those are the mechanical steps that he talked about at the beginning, the point number 2. And unlike a lot of Section 225 actions where you talk about the mechanical steps, there's no challenge from the other side as to how GLAS went about executing under the documents. So that is not an issue in this case.

So then we go on. After the exercise of remedies -- so after we sent them the notice that there was a default and an acceleration of the loan, and that Mr. Riju Ravindran was removed -- Mr. Byju Raveendran, who is Riju's brother and is the founder and CEO of the whole company BYJU's, he requests that negotiations start up again. So the parties say, the lenders say, okay, we're happy to negotiate. And they start negotiating again for several weeks. And during that period, the plaintiffs determine that it didn't make sense to file the lawsuit if there were productive negotiations going on. And Mr. Pohl testified to that.

And so they delayed in filing the lawsuit so that these discussions could go on between the parties, but by May 3rd, those discussions had failed again, and so the plaintiffs go ahead and file

this action.

And then just one significant post-filing event that occurred is that Mr. Pohl, once he comes in as the designated sole director under the status quo order, he gains access to the bank accounts, and he discovers that each of the accounts has less than a million dollars in it. And as a result, BYJU's Alpha, which is the borrower entity, it wasn't able to pay the next interest payment on the loan that was due on -- at the end of May, and then there's a grace period of so many days that ran into early June. And that was a $38 million interest payment that was due. And he wasn't able to pay it.

So he sent a letter to the Think and Learn team and said, hey, I don't have the money to pay this. Are you guys, as guarantors, going to pay it? And they never wrote back. And then the date comes and goes, and that interest payment was not made. GLAS, therefore, sent a supplemental notice of default and executes a new written consent confirming the same actions that it took in the first written consent, saying that Mr. Ravindran is removed and Mr. Pohl is appointed.

So that's kind of the factual

background of what happened here. And to turn to the legal argument, again, we think that the key point is that unambiguous agreements among sophisticated parties ought to be enforced. And the defendants want you, as the Court, to abandon that bedrock principle.

They ask you to ignore the amendments. They pretend like they didn't exist. They misconstrue some of the language in the original credit agreement. They rely on this equitable exception that we think is inapplicable here, from New York law. They raise a duress argument. I don't think I've ever seen an economic duress argument before. They raise impossibility. And, finally, they rely heavily on unclean hands, which is, I think, indicative of just how weak their case is, if you are relying so heavily on unclean hands when it clearly doesn't apply.

So going on to the next slide, just to deal with the specific arguments that the other side is making. Starting with their contract arguments, they rely on this Section 111 of the credit agreement. And Section 111 says that if there's a default that's occurring because of the failure to provide information by the required date, that shall -- provided that there has not been any acceleration of

the loan, shall be deemed cured upon the delivery of the information.

So this is a provision of the credit agreement that says, for delivery of financial information, for example, there is only a 45-day cure period in the contract, if you look at Section 8.1. And this says, well, if you miss that cure period, you can still cure after that date goes by or it will be deemed cured if you actually provide the information. And they rely heavily on this to say, well, this means that we didn't default by not providing you the information because we're able to cure at any time.

But what they ignore is Amendment No. 7 that we looked at earlier. And Amendment No. 7 says, no, none of the specified defaults can be cured or remedied or deemed to be cured or remedied after the date of that amendment.

So Amendment No. 7 trumps Section 111. It's a very specific provision and specifically says that you can no longer cure. Too much time has gone by. And this -- this is such an important point. I want to stress this. This is such an important point in Amendment No. 7 that they include it four times.

Sean, if you could pull up Amendment

No. 7.

I will show you that this provision appears four times in the agreement.

Amendment No. 7. I forget the JX number. 187. Can you go to the front page just to make sure we're on the same document.

All right. So this is Amendment No. 7. And then if you go to page 6. Page 6, you see what we looked at before, 3(a)(ii), there's a reference that "none of the Specified Defaults as referred to in [] Amendment No. 2 can be cured or remedied ... following the date of this Agreement ...."

That trumps Section 111. And that's so important that they include it again on page 11. Let's go to page 11. And you see Section 5(h) at the top of that page. And, there again it says, "none" -- if you look down at the bottom of that paragraph -- about the middle of the paragraph, "none of the Specified Defaults can be cured or remedied (or deemed to be cured [and] remedied) until specifically waived by the [] Lenders ...."

So they put it in there a second time.

Then let's go to the next page, and

you have Section 6(c). And let's blow up that all-caps language at the bottom of that paragraph.

So the all-caps language at the bottom says, "The parent guarantor (for itself and as agent for the other loan parties ...)" -- that would be Tangible Play and BYJU's Alpha -- "hereby irrevocably and unconditionally waives in all respects any right that may exist now or in the future under the credit agreement or any other loan document or at law or in equity to cure any of the Specified Defaults [] referred to in [] Amendment No. 2."

So they lost their cure right, and they very, very clearly put it in this agreement.

And, Sean, if you could bring that -- close that box.

And if you look at just the very next paragraph, 7(a), you have the same point again for a fourth time. None of the specified defaults can be cured or remedied following the forbearance effective date, unless waived by the required lenders.

So it was so important to them that they were trumping Section 111, that the other side relies on, they put it in the amendment four times.

If we could go back to the PowerPoint,

Sean.

So their Section 111 argument also fails, because by the terms of Section 111 itself, it doesn't apply once the loans are accelerated. And here, the loan has been accelerated. The notice of acceleration was sent on March 3rd. And there hasn't been any cure. As we stand here today, they haven't provided us the audited financial statements. They haven't provided us the quarterly information that they failed to provide. And they haven't had Whitehat accede to the agreement. So all of the defaults are still in effect. They've never been cured. And there's been an acceleration of the loan. So even without Amendment No. 7, this Section 111 does not apply.

So that takes us to their next contract argument. The next provision that they -- lost it. There it goes.

The next provision that they rely on in the contract is Section 5.17(d). And this is in the original credit agreement. And this concerns the Whitehat India guarantee. It's the requirement that Whitehat India sign on as an additional guarantor by April 1st, 2022. And they rely on the first sentence

here that says, "Without prejudice to the Guarantee Maintenance Requirement, the Parent Guarantor will use its reasonable commercial efforts to procure the RBI Approval on or prior to April 1, 2022 ...."

And "RBI Approval," that refers to the Reserve Bank of India. That's a governmental entity in India that has to approve whenever an Indian entity signs on for a loan or a guarantee of this magnitude. And so they rely on that sentence, and then they also rely on the second sentence. But let's focus on the first sentence first.

They say, well, we only had to use commercial reasonable efforts. But what they -- and they say that so long as they used commercially reasonable efforts, there can be no breach. But there's a significant difference between the efforts that they had to use and the outcome that they agreed to in the contract.

While they didn't have to use more than commercially reasonable efforts, Section 5.9 is clear that if -- well, that the guarantee has to be delivered by April 1, 2022. If it's not delivered by April 1, 2022, that's a breach. And you actually see that in the second sentence of this provision, Section

5.17, which the other side relies upon. They actually quote this in their brief. And they say that it says, "For avoidance of doubt, [] any failure to obtain the RBI approval prior to April 1, 2022 ... shall not cause a breach of the Guarantee Maintenance Requirement or require any mandatory prepayment of the Term Loans ...."

And they cite this as if it's helpful for them, but it's not. Because what it says is that if you fail to get this guarantee prior to April 1, it's not a breach. It doesn't say anything about on April 1 or after April 1. The obligation under the contract is to get the additional guarantee by April 1. If you don't get it by April 1, it's a breach. That's the only way to read the language. This is referring to prior to April 1, it's not a breach.

THE COURT: Can you back up on this point.

ATTORNEY CZESCHIN: Sure.

THE COURT: And just explain to me your broader theory of how 5.9(c) and 5.17(d) either work together or don't.

ATTORNEY CZESCHIN: Yeah. They work

together because in 5.9(c), it says that the Whitehat entity must accede to the guarantee and become an additional guarantor by April 1. It is a hard-and-fast date that was negotiated by the parties.

THE COURT: April 1. And then it says "and" within five business days of the date RBI approval is received.

ATTORNEY CZESCHIN: Right. It's the earlier of. So it's April 1 or the earlier of five business days after RBI approval. So that means that you have to have it, at the latest, by April 1.

And that is a hard-and-fast date that the parties negotiated. And we have a document concerning the negotiations, where we show that the parties -- the lenders wanted that guarantee up front because a lot of the subsidiaries provide guarantees. Again, BYJU's Alpha, the borrower, is just a shell company. So it was important to get guarantees from the other subsidiaries. And we got a bunch of guarantees from other subsidiaries, like Tangible Play.

And the lenders wanted a guarantee from Whitehat because Whitehat is an operating company. It had just been purchased by Think and

Learn a few months earlier for $300 million. And so it was important to get that guarantee from Whitehat, and they wanted it on day one. But the parties negotiated, the lenders agreed, that, well, you can have until April 1 to get us that guarantee. And that is a hard-and-fast date.

What Section 5.17 refers to is, well, you have to use reasonable commercial efforts to try to get the approval, and if you don't get it before April 1, that's not a breach. But it doesn't say anything about what happens on April 1. What happens on April 1 is what's in 5.9(c).

I just want to make sure that Your Honor doesn't have any more questions about that.

THE COURT: This is probably a really basic question. 5.17(d), when it says it "shall not cause a breach of the Guarantee Maintenance Requirement or require any mandatory prepayment of the Term Loans ...," are either of those coterminous with 5.9(c)?

ATTORNEY CZESCHIN: Sorry. I'm just trying to get -- what was the language Your Honor is on?

THE COURT: It's the "any failure to

obtain the RBI approval prior to April 1 ... shall not cause a breach of ...," and then there's two things that are enumerated: the guarantee maintenance requirement, and then it says, and it shall not "require any mandatory prepayment of the term loans."

ATTORNEY CZESCHIN: Right.

THE COURT: So just to kind of unpack what that means, is the guarantee maintenance requirement, is that 5.9(c), or is that something else?

ATTORNEY CZESCHIN: That's something else. That's the -- I think the -- there's a minimum requirement of total amount of guarantee. We're not arguing based on the guarantee maintenance requirement. But it is still a breach of 5.9(c), because there was a specific obligation by the borrower to get this additional guarantee by April 1.

THE COURT: Well, that's what I'm trying to figure out. Okay. So let me stop before we move on to that.

My second question in 5.17(d), "any failure to obtain [] RBI approval ... shall not ... require any mandatory prepayment of the Term Loans ...."

ATTORNEY CZESCHIN: Yep.

THE COURT: Is that acceleration?

ATTORNEY CZESCHIN: That's acceleration. And that's what happened here. But that exception that Your Honor is reading from, if you look at the language, it says prior to April 1, 2022. It doesn't say anything about on April 1, 2022. On April 1, 2022, and thereafter, it is a breach. And that's how Section 5.17 --

THE COURT: In a world in which parent guarantor used reasonable commercial efforts and it just didn't work out, where does it say that that's a breach?

ATTORNEY CZESCHIN: Well, then you go back to 5.1(c). 5.9(c). Sorry, 5.9(c). That says, "On [or] from the earlier of [] April 1, 2022 [or] [] within five Business Days of ... RBI approval ...." So "the earlier of" would mean -- because they didn't get RBI approval. That's the issue, that they're not able to get RBI approval, they say. And, therefore, "the earlier of" would be April 1. And that's -- that's a breach, if you don't have it by April 1.

And they can't rely on 5.17, because that's just saying the failure to get it before

April 1 isn't a breach. And that's because the lenders originally wanted this on day one. They originally wanted this guarantee on November 24th, 2021. But they agreed to push the date out to April 1.

They later, also, in Amendment No. 1, they push it out another six months to October 8th. But they wanted that guarantee. And the failure to get that guarantee is a breach under 5.9(c).

THE COURT: So I agree with you that Whitehat India not acceding to the agreement by April 1, or the other deadline under RBI approval, is a breach. What I'm not quite understanding is how you read the covenant to use reasonable commercial efforts in 5.14(d) to say that if -- let's pretend that they did use reasonable commercial efforts -- why a failure to procure RBI approval is itself a breach.

ATTORNEY CZESCHIN: So what the parties agreed to in 5.17(d) is because the lenders wanted this as soon as possible, that they had to use commercially reasonable efforts to try to get it. And so that's what they had to do in that period up until April 1. If they weren't using commercially reasonable efforts, that would have been a breach even

before April 1. But it doesn't say anything -- that doesn't mean that if you get to April 1 and you don't have the guarantee, that it's not a breach.

THE COURT: But I think your position requires something slightly different, which is for you to show me in this contract that the mere fact of not having RBI approval by April 1 is a breach.

ATTORNEY CZESCHIN: And that is 5.1(c). That's --

THE COURT: 5.9(c)?

ATTORNEY CZESCHIN: 5.9(c), yes. 5.9(c). It says on the earlier of April 1 or five business days from RBI approval. That's a hard-and-fast deadline that the parties agreed to. And we refer to a document in the negotiations -- I think it's JX No. 8 at page 3 -- that shows that the parties agreed that that was a hard-and-fast date.

THE COURT: Again, I follow you there, that April 1 is a hard-and-fast date. But it seems to me that there's kind of a black box between -- I think we agree they have an obligation to use RCEs on or before April 1 to get that approval. And I think we also agree that RBI approval is sort of a prerequisite, if you will, to Whitehat India acceding

to the agreement and that if Whitehat India does not accede, that is a breach. But that intermediate step of RBI approval itself being a breach, the lack of RBI approval by April 1 being a breach, that's where I'm not quite seeing that jump off the page to me.

ATTORNEY CZESCHIN: Yeah, no. The lack of RBI approval is not the breach. The breach is the failure to get the guarantee.

THE COURT: Okay. Thank you.

ATTORNEY CZESCHIN: Sorry if that wasn't clear before. And that's the breach under Section 5.9(c), and there's nothing in 5.17(d) that trumps that very clear deadline in 5.9(c).

THE COURT: But the breach -- sorry. This poor dead horse. Just the absence of RBI approval on or before April 1, 2022, that's not the breach; that's not the default. It's Whitehat India not acceding. And perhaps that happened because they didn't have RBI approval.

ATTORNEY CZESCHIN: Exactly. That is correct.

THE COURT: All right. Thank you.

ATTORNEY CZESCHIN: Okay. Going on to -- another reason why their Section 5.17(d)

argument doesn't work is the amendments that we looked at earlier. The amendments define as part of the specified defaults their failure to have Whitehat accede to the loan by April 1.

If we, you know, go back to Amendment No. 2, Sean -- that is JX 168 -- and if you take a look at page 2 or -- well, page 1 first. Sorry. Do you see that it says "Specified Defaults," and it has an (a), a (b), and if you go to (c) on page 2, one of the specified defaults is "the failure of Whitehat India to accede to this Agreement and [to] the [] Guarantee [] as a Guarantor ...." So the other reason that their reliance on Section 5.17(d) doesn't work is because they've already agreed that their failure to get the -- the guarantee from Whitehat is a specified default in the amendments.

And again, as I mentioned, the record shows, this was an intentionally negotiated point, and we refer to JX 8 at page 3.

So if Your Honor doesn't have any other questions on that 5.17 point, I will go forward.

THE COURT: No. Thank you.

ATTORNEY CZESCHIN: Okay. So if we go back to the PowerPoint, so those are all of their

contract arguments, 111 and 117(d). Then they switch to these extra-contractual arguments. And the first one is that they rely on an equitable doctrine in New York that trivial defaults can't support the acceleration of debt. But that just simply isn't applicable here. Here, equity should not intervene where you have a sophisticated party who expressly agreed that the conduct at issue constitutes a specified default. And they expressly agreed that that default provides for acceleration.

All -- none of the cases that they cite to have a situation in which the borrower had agreed that the conduct at issue was, indeed, a default and was, indeed, something that entitled acceleration. Most of their cases are, frankly, in the landlord-tenant area, where somebody fails to make a payment on time, and they say, well, the landlord can't kick you out.

This is a very, very different situation between highly sophisticated parties, represented by sophisticated counsel. And they entered into an agreement that says these things are defaults and that these things entitle acceleration. So I think it's a very different situation.

THE COURT: So let's pretend for a moment, which I understand is not your position, that these are trivial defaults and that they under New York law would not support acceleration of the debt.

ATTORNEY CZESCHIN: Okay.

THE COURT: Do you have any authority in New York law that says that that conclusion can effectively be contracted around?

ATTORNEY CZESCHIN: Yes, we have a number of cases that we cite to in our brief, and I'm going to get to, that say where you have sophisticated parties, that you shouldn't be applying that principle; and that even -- even a relatively minor breach or a breach, in particular, of failing to provide financial information, what we have here, at least for three of the instances, is something that can accelerate the debt. There's a number of cases that say that. I don't think any of those cases have a situation where they later amended and admitted to the defaults. But they certainly recognized the principle that sophisticated parties should be held to the language of their agreement.

THE COURT: But that line of law starts sort of *ab initio* from this to say we shouldn't

even engage with this idea of trivial defaults and acceleration because these are sophisticated parties, as opposed to let's pretend that we sort of started down that road, and then an amendment said, you know what, I will agree that this is a default that would support acceleration.

ATTORNEY CZESCHIN: Right. And there are some cases -- I take that back. There are some cases that we had where someone would sign an acknowledgment of a default after the fact, and the court says, too bad. You signed an acknowledgment. It's over. If you sign an acknowledgement of the default, then game over; we don't need to talk about the materiality of the breach because you've admitted that it is a material breach in a subsequent document. So I had forgotten about that. There are some cases that say that.

We also don't think their position holds water just under the original agreement. So the first bullet point here is referring to the specified default in the amendments. The second bullet point is referring to the agreement itself, the original credit agreement. That agreement has clauses where certain breaches don't provide the right to accelerate the

debt. 5.17(b), another paragraph that we didn't look at. But that language is absent from the financial reporting covenants, and it's absent from the Whitehat guarantee. So we think even the language of the original agreement.

And here are the cases that I was referring to, Your Honor. So this is just a sampling of cases. We have several more in our brief. And it says that under New York law, the failure to provide timely and complete financial reporting is material. And there's a case from the New York appeals court that finds a nonmonetary breach, including failure to provide financial reporting, was material.

And the *Natixis* case, the second one cited there, is particularly on point. And I just wanted to read from it so Your Honor can see what the New York law is. It says, "To be sure, 'in rare cases, agreements providing for the acceleration of the entire debt upon the default of the obligor may be circumscribed or denied enforcement by utilization of equitable principles ....' But '[i]n the vast majority of instances,' '[a]bsent some element of fraud, exploitive overreaching or unconscionable conduct on the part of the [creditor] to exploit a

technical breach, there is no warrant, either in law or equity, for a court to refuse enforcement of the [parties' agreement]' .... Even if [the] 'provisions requiring strict compliance ... turn[] out to be harsh,' they 'must be enforced' as 'important, negotiated term[s] of the agreement' ...."

And the Court notes that "['h[olding] that the doctrine of insubstantial or de minimis default has no application in measuring the performance of the terms of commercial paper'] .... ['[T]he "technical" nature of [the] default does not change the fact that Defendants defaulted under the Agreements ... A default is a default is a default.']."

And so that's when you're dealing with sophisticated parties, you've got to hold them to the letter of the agreement.

The next point is, they're trying to argue that these things are not material. But they -- it's hard to imagine a more material breach than failing to provide the audited financial statements. Mr. Ravindran did admit at his deposition that audited financial statements are important to investors and to lenders. And then we have another event that happened

just last -- or in June, I guess. The outside audit firm for BYJU's, which is Deloitte, they resigned. And they resigned because the financial statements were long delayed.

Sean, if you could bring up JX 311.

ATTORNEY KORPUS: Your Honor, I'm sorry. Sheron Korpus. I don't want to interrupt Mr. Czeschin's presentation. We do have objections to introducing evidence after the time that Mr. Pohl purportedly took over the company. But given that this is a paper trial, I intend to just address that in my presentation. I didn't want to waive any rights by not ...

THE COURT: Thank you.

ATTORNEY CZESCHIN: So, Your Honor, in June, here you see a letter. This is a public document. Deloitte in June, just over a month ago, resigns as the auditor. They say, "We have been appointed [] statutory auditors [for] Think & Learn Private Limited ...." If you skip down there, for a five-year period, commencing on April 1, 2020, to the financial year March 31, 2025. So they are in the middle of their term as auditor.

But then if you go down to the second

paragraph, they say, "The financial statements of the Company for the year ended March 31, 2022 are long delayed." That's the same thing we're complaining about in our action. They further say that -- you go to the next sentence -- "We have also not received any communication on the resolution of the audit report modifications in respect of the year ended March 31" -- that's the prior year -- "March 31, 2021, [the] status of [the] audit readiness of the financial statements and the underlying books and records for the year ended March 31, 2022" -- that's the information that we haven't gotten yet -- "and we have not been able to commence the audit ...."

This is just a month ago, and they haven't even been able to commence the audit that is already ten months overdue under the credit agreement. And they go on to say, "As a result, there will be significant impact on our ability to plan, design, perform and complete the audit in accordance with the applicable auditing standards.

"In view of the aforesaid, we are tendering our resignation as statutory auditors of the Company with immediate effect."

So we've been waiting over ten months

for these audited financials, and now their auditor just resigned because of the audited financials being delayed. That is clearly material. In fact, if we can go back to the slide, on the same day, or on or about the same day -- maybe a day one way or the other -- that Deloitte issued its resignation, all of Think and Learn's outside directors resigned from the board. There were three of them. And they all resigned at the same time that Deloitte resigned. And that leaves on the board only Mr. Riju Ravindran, Mr. Byju Raveendran, and his wife. And we think it lacks credibility to say that those things were not connected, given that they happened on the same day.

So I think that this shows plainly audited financials are important. Audits matter. You have an outsider come in and look at the books and records. You are not relying solely on the company. And they are not able to give us anything that's been audited from outside, and the auditor itself has walked away.

That is material, and that's why you have covenants in the credit agreement that say lenders are entitled to audited financials, so that they have the comfort that a recognized firm -- and it

actually says in the credit agreement, it has to be a reputable, large audit firm, like Deloitte, that signs off on the numbers. They can't give that to us, and they haven't been to able to give it to us for over ten months. And they're not going to be able to give it to us. At his deposition he said, well, we think we can get it to you by the end of September, but we will see if that actually happens. They have been saying things like that for some time.

I just want to finish up on the last few things. The other defaults are also material. We can go through those quickly. It's important to get adequate financials on a timely basis. And, obviously, the failure of Whitehat to accede to the guarantee is important.

Defendants also have this economic duress point. It's in their briefs, in the background section, but they actually don't even make a legal argument for economic duress. And if you look at the case law in New York that we cite, it's an incredibly high burden to get out of your contract on economic duress, which they don't even try to meet. So I think, frankly, the argument is waived, but they don't meet it.

They don't have a witness. They don't have Mr. Ravindran here in court today. And he didn't testify beyond -- or with any detail as to this duress point at his deposition.

If you are claiming duress, you have an obligation to promptly bring up the duress argument and repudiate the contract under New York law. They never did that. They're claiming that all seven or all eight of these amendments were signed under duress. Well, they never raised duress until the litigation was filed. And you can't do that. You can't wait.

THE COURT: What's the authority for that?

ATTORNEY CZESCHIN: There are New York cases cited in our brief that say if you are going to claim duress, you must act to repudiate the contract promptly. I can find the cites for Your Honor when we come back.

Also, the factual record here just doesn't support duress. The lenders provided repeated forbearances and extensions. This has been going on for over a year at this point. That's not a situation where you were under duress. There are actually cases

that say where the lender was providing extensions and forbearances, that's not a lender acting in a manner that's causing economic duress.

Finally, the New York law says that the risk that a party might exercise its contract rights isn't a basis for duress. And Mr. Ravindran said, well, what he was referring to when they say "duress" in their brief is the risk that GLAS would exercise remedies. Well, as a matter of law, the risk that somebody is going to exercise their contract rights is not duress.

This is what I was talking to -- or talking with regards to earlier; that there are some cases that I will get for Your Honor that says if a borrower acknowledges a default in writing, then it's waived to come back later, and it should be estopped from coming back later and saying that that default is somehow invalid. And that's exactly what we have here.

We also have a situation that they never told us when we entered into these amendments and the lenders gave them these extensions and forbearances, they never told us, hey, we don't think this is really valid. They took the forbearance.

They took the extension. That was valuable consideration for them. It gave them the opportunity to try to go out and raise financing. It gave them the opportunity to try to negotiate an amendment to the credit agreement. And they never said, well, we're acting under duress until we get to this litigation.

Defendants also can't excuse the Whitehat India default on the basis of impossibility. This is an issue, we put in affidavits, both sides, from experts in law in India. And the other side says that, well, on August 22nd, the RBI adopted new regulations that effectively made it impossible for Whitehat India to accede as an additional guarantor.

Well, there's several problems with that argument. They say, therefore, we can't do it, so legal impossibility. The first problem with that argument is the doctrine of impossibility only applies to unforeseen, intervening events. And here, two months after the new RBI obligations were put in place is when they signed up the first of the amendments that recognizes the specified defaults, including the failure of Whitehat to accede to the guarantee.

So it wasn't an intervening event.

It's something that had already happened. So the doctrine of impossibility doesn't apply on its face.

Also, even putting aside the amendments, it was foreseeable, this rule change was foreseeable at the time the original credit agreement was entered into on November 24, 2021. That's because a few months earlier, in August of 2021, the RBI posted online new proposed regulations. And those new regulations omitted the language that permits a subsidiary to borrow net worth from their parent. And it's that omission, it's that change in the law that supports their legal impossibility argument. So that was something that was certainly knowable and, we believe, likely known at this time.

Also, it's clear that just the parties, as you saw in the contract, recognized that there was a risk that you might not get RBI approval. And that risk was assumed by the other side. If they didn't get the RBI approval by the date specified in the contract, that's a risk that they assumed. And it doesn't matter what the reason is. Because that was an identified risk.

They also, as I said at the beginning, they have this unclean hands argument that they

basically say that it was unclean hands for us to file this action at all in Delaware under Section 225. I think that is just plainly wrong. Section 225 provides a legal mechanism for exactly this type of lawsuit.

They have this whole vulture lender story, but it's really just lawyer argument. It's unsupported by any evidence. The actual facts show that BYJU's consented to the participation in the term loans by the lenders that they now call distress debt lenders.

So when a lender comes into the debt, and when the original lenders came into the debt, BYJU's has to consent to them coming into that debt as an original lender. And they signed something called a master consent. And in that master consent, they consent to Redwood, which is the lender they focus most on, becoming a lender. There's no question about that.

And as I said before, when that oppressive treatment that they're talking about was allegedly happening, they didn't try to exercise their disqualification rights. They didn't do anything until after the litigation was filed. So I think the

unclean hands argument is clearly wrong.

So that just takes us back to the key legal principle, sophisticated parties should be held to their agreement. Here, we clearly have sophisticated parties and sophisticated counsel.

And then the last argument from the other side is that this is not a proper forum, the forum selection clause. But that is plainly wrong. So JX 21, Section 10.9(c) is the forum clause. And it does have language that says the exclusive forum will be New York.

But if you look at the bottom of the paragraph it says, "Nothing in this Agreement or in any other Loan Document shall affect [the] right that any Agent" -- "Agent" is a defined term, it refers to GLAS in its capacity as the "Collateral Agent" and the "Administrative Agent" -- "or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Loan Party or its properties in the courts of any jurisdiction."

The language couldn't be more clear that this does not bind GLAS and prevent this action. And, in fact, if you go to the related agreements that were signed on the same date as the credit

agreement -- so the pledge agreement and the security agreement. That's JX 18 and JX 19 -- they have similar provisions. They all say that GLAS can sue wherever it wants.

In fact, let's pull up JX 18. This is the security agreement. Go to page 23. Paragraph 30, "Enforcement." You see here they picked the courts of Singapore to have exclusive jurisdiction. But then if you go down to paragraph (c), it says, "Notwithstanding paragraphs (a) and (b) above, the Collateral Agent" -- that's GLAS -- "shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Collateral Agent may take concurrent proceedings in any number of jurisdictions."

So all of the related documents that were signed at the same time, the key agreements, have this exception that allows GLAS to sue wherever GLAS wants.

So if we go back to the PowerPoint, there, the forum also -- argument also lacks merit under Delaware law. Delaware law is actually that if you are going to have an exclusive forum provision,

the language has to be crystalline. It has to be crystal clear, is what the courts say in Delaware, if it's going to be exclusive for another jurisdiction.

And this is, by any measure, not a crystal-clear provision. Well, it is crystal clear. It's crystal clear that it says that GLAS can go anywhere. But to the extent they're saying that it means something different, it doesn't.

And, finally, the point is that Mr. Pohl, my client, he's not a party to the credit agreement. He's not closely related to the parties to the credit agreement. He's not bound by the forum selection clause, and he has an independent statutory right to pursue this action.

THE COURT: This is where I felt like I was on the astral plane a little bit. Because Mr. Pohl, obviously, when this was signed, he wasn't a party. When this was signed, perhaps he wasn't closely related. But he's here now in his capacity as the sole director of one of the parties.

ATTORNEY CZESCHIN: That's correct.

THE COURT: And he's here not even *in personam*. He's here in an *in rem* proceeding where we're talking about sort of colloquially who sits in

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the seat of the director. And the director's seat is the property that's here in Delaware.

ATTORNEY CZESCHIN: Right.

THE COURT: So I'm trying to figure out, Mr. Pohl, he's not bringing this action in his individual capacity; he's bringing it because he thinks he's -- because he is, in fact, the incumbent director of a party.

ATTORNEY CZESCHIN: Well, I think he is -- I think he's bringing it in his individual capacity. He's bringing it as he's been appointed the director and officer, and he's seeking to have that confirmed. And I think that even though it's an *in rem* proceeding, I think that is still in his personal capacity.

THE COURT: He's not saying, I, Timothy Pohl, would really like to, you know. He's doing it as the director. If he wasn't acting as a director of BYJU's Alpha, he wouldn't be able to bring the suit at all.

ATTORNEY CZESCHIN: That's right. I mean, he's -- he was an outsider. You know, he's a sophisticated former attorney and investment banker. He wasn't involved at all at the time the credit

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agreement was signed. But, you know, years later, when the lenders and GLAS are thinking about exercising their remedies and they want to remove the director, they need somebody to put in the seat. And so they found someone who has a stellar reputation, like Mr. Pohl, and said, well, that's who we're going to put in for our director.

And they contacted and asked him if he was willing to do it. There was a negotiation. You're going to hear something about that from the other side. And he agreed to do it. And he has now the statutory right to say that what he did, and what GLAS did that put him in that office, is effective and valid. And they can't tie him to the forum --

THE COURT: He has that statutory right, perhaps -- and this is sort of the odd thing about 225s. He has that statutory right because he has, I guess, a colorable claim that he is a BYJU's Alpha director.

ATTORNEY CZESCHIN: Yes.

THE COURT: And so he's acting only as a BYJU's Alpha director.

ATTORNEY CZESCHIN: As someone with a colorable claim to the office, yes. But he wasn't

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related at all to the credit agreement. He wasn't around when the credit agreement was signed. You know, he has nothing to do --

THE COURT: But his rights to speak as a director of BYJU's Alpha arise out of the credit agreement.

ATTORNEY CZESCHIN: That's true. But if you're going to bind someone to a forum clause, the law is pretty clear that they have to be related to the contract. Just the fact that that contract may give him some rights, but he wasn't related to it at the time, it wasn't foreseeable -- I think one of the standards is whether or not it was foreseeable.

THE COURT: But I think what I'm stuck on is whether what we're talking about are his rights or BYJU's Alpha's rights, when we're talking about an *in rem* proceeding brought by a human being acting as a director of the entity.

ATTORNEY CZESCHIN: Right. I understand, Your Honor. I mean, there was -- there was -- there was a case that we cite to -- Ms. Henry just reminded me -- in New York, the *Pegasus Strategic Partners* case, that found that a director was not a director at the time of the stock purchase agreement,

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and, therefore, because he wasn't a director at the time the company entered into this particular stock purchase agreement -- it had a forum clause -- he clearly wasn't closely related to that contract, and he could not be bound by the forum selection clause.

THE COURT: I buy that as far as it goes, especially for personal rights that that director might have. But, again, what I'm struggling with is we are talking about the *res* is the seat of BYJU's Alpha. BYJU's Alpha is the signatory, and Mr. Pohl is the human actor who is bringing a statutory claim to figure out -- an *in rem* claim to see who should sit in the seat. But he's doing that on behalf of BYJU's Alpha and is offering the *res* before the Court, which is the director seat of BYJU's Alpha.

Mr. Pohl -- I'm sure he is a very nice guy -- he's not actually that relevant here. He's sort of just a stand-in for --

ATTORNEY CZESCHIN: Well --

THE COURT: He's almost the agent for the seat, in a weird way, when we're looking at this 225.

ATTORNEY CZESCHIN: I'm not sure I see

it that way. I think he is important. I think, you know, he's the guy who the lender has decided would become the fiduciary. And they did pick an independent guy. He's not a patsy for them.

THE COURT: I'm not saying that he is. I'm just trying to figure out the relevance of Mr. Pohl, the human living and breathing and walking on this earth, to the 225, and the way that the forum selection clause works, when what we're doing is an *in rem* proceeding for a director seat of a signatory.

ATTORNEY CZESCHIN: I don't think there's any Delaware case that has ever held someone to a forum selection clause when they were not at all around at the time that contract was negotiated.

Now, I understand most of those don't come up in the 225 context, and I'm not aware of one in the 225 context. We can look quickly. But I think it would be unprecedented to say that a guy that wasn't even involved in any of this is somehow bound by the credit agreement forum clause and can't exercise his statutory right to file in Delaware because he has a claim to the seat.

You would be going back years and binding him to a contract that he had no knowledge of

at the time. And I think that would just be very much unprecedented.

THE COURT: I think where we're maybe finding some friction in our discussion is whether this claim belongs to Mr. Pohl or whether this claim belongs to BYJU's Alpha. And I understand he's the petitioner, and I understand that in this context BYJU's Alpha is sort of the nominal defendant in a way.

ATTORNEY CZESCHIN: Right.

THE COURT: But if this *in rem* proceeding is more affiliated with BYJU's Alpha than it is with Mr. Pohl, as a human being, we don't look at a signatory that's an entity and say, well, when you signed this, Signatory, your directors were different. And so now the directors who are causing the signatory to take action, they weren't around at the time this was signed. We still bind the entity, regardless of who is exerting the rights of the entity.

So I'm trying to sort of think through that with regard to Mr. Pohl, who is asserting the *in rem* proceeding for a director seat affiliated and only relevant because it is a piece of BYJU's Alpha.

ATTORNEY CZESCHIN: Yes, I understand, Your Honor. I think we just see it differently. I think the other side is obviously arguing that he isn't a director; that he's not in that capacity. And the statute provides that any stockholder or any person with a claim to the office can bring the petition. And I view that as that's the right of that individual to say, hey, I'm a director, and this is what I want the Court to affirm.

So I think it is in his individual capacity. I don't think it's something where he can be bound to a contract from years before.

And also, just going back to what we talked about previously, none of this matters, because GLAS is not bound and any lender is not bound. And so GLAS would be able to bring this action in this Court, and they're the other plaintiff. So it doesn't matter. It belongs in this Court. Their forum selection provision just doesn't work. It doesn't say what they say it says.

So then they also seem to be suggesting that it's just wrongful, in a 225 action, that Your Honor consider the underlying contract. That's, of course, ridiculous. The *Hawk Investment*

Holdings case is a very similar case to this one. A creditor sought relief under Section 225, alleging that there had been a default that triggered its right to vote the company shares and replace the director. And the Court considered the underlying contract and found events of default. So you basically have a very similar situation. And certainly, in lots of 225 actions, the Court examines some underlying document, whether or not it's a stockholders agreement, whether or not it's a purchase agreement. There's even been one 225 case where they had to determine whether or not a merger was valid in order to determine who the board was. That's normal. That's what 225 proceedings are about.

So, again, just to wrap up, we think that the contract is clear and unambiguous. We've got sophisticated parties. They conceded the defaults, and they conceded that we had the right to accelerate, that GLAS had the right to accelerate.

Does Your Honor have any further questions?

THE COURT: No. Thank you.

Let's take a 15-minute recess.

(A recess was taken at 10:46 a.m.)

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(Resumed 11:03 a.m.)

THE COURT: Thank you. Please be seated.

ATTORNEY KORPUS: Good morning, Your Honor. Sheron Korpus, Kasowitz Benson Torres, for the defendants. Your Honor, I have just a small package of some of the provisions from the agreement, but I see that you've been taking notes on your binders, so maybe you don't even need that.

THE COURT: I've got more paper up here.

ATTORNEY KORPUS: I figured. I figured. I don't even have a Sean here. I'm a little more old-fashioned.

Your Honor, we didn't need to be here today. This is a combination of a course of events that has benefited no one and has put everyone's investment at risk. BYJU's has been a stellar success. It's the world's leading provider of online education on both profit -- for-profit and nonprofit basis. It has grown fast and has raised capital to achieve that growth.

What happened is that a group of aggressive distressed debt investors who were not

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supposed to be in the deal in the first place have created a series of what we believe are artificial events of default based on what were, at most, minor contractual breaches. They thought they could use the so-called default as leverage to get more and more concessions from BYJU's.

When this whole process started, before the notice of acceleration, notice of enforcement was served, BYJU's has shown no financial distress and made every single payment it was supposed to make under this $1.2 billion agreement.

The group of lenders that calls themselves the steering committee, it's dominated by a few funds that were distressed debt funds, even though the credit agreement provided that entities that are primarily dealers in distressed debts are subject to disqualification because they weren't supposed to be in a deal like this. And the steering committee couldn't claim a payment default, because there was no payment default. So they latched onto a few alleged breaches. And you've heard about them today. They are the three breaches that Mr. Czeschin spoke about. And as I will explain, none of them justifies, as a matter of New York law, accelerating a $1.2 billion

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loan and activating a pledge to take over the borrower. I will go through them in detail.

Now, at first, the distressed debt lender must have been pretty satisfied at its hard-ball strategy, because BYJU's, fearing losing investors and having to fight public litigation like this, was scared off, and it was forced to enter into these amendments and limited waivers that you've seen.

And what Mr. Czeschin didn't tell you is that these amendments and waivers actually had fees that netted the lenders almost $9 million in consent fees and forbearance fees to which they weren't originally contractually entitled. And they also received other contractual concessions worth tens of millions of dollars.

But the problem is that this strategy actually started to hurt the company and to backfire on the lenders themselves. It's no secret. It's been in the business news. In recent months, BYJU's has been under a lot of pressure, and in just about every story, you will see the lenders in this litigation mentioned. And this pressure actually made it harder for BYJU's to get alternative capital funding so it can refinance and maybe pay off these lenders.

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Like I said, this litigation isn't in anyone's interest. Overall, what would be in everybody's interest is an agreed resolution, where BYJU's and the lenders can negotiate an amended relationship and deal. Indeed, they're still talking. They're talking as we speak here in court today, and they likely will continue to talk, even no matter what happens today.

Because, as I will discuss in a minute, and as Your Honor actually pointed out, the borrower is not an operating company, and it doesn't have many assets. So this is really a bit of a sideshow, and it's ended just exerting further pressure in negotiation and causing BYJU's to capitulate to the steering committee's extortionate demands.

But in any event, the Court should not grant the relief today, for two main reasons. The first reason is that this case should not be heard in this Court. It should be heard in New York, together with the case that has already been brought there by the parent guarantor and other BYJU's entities.

As I will explain shortly, there is an exclusive jurisdiction clause that applies to this

claim, and this case should not be heard here in Delaware, with all due respect to the Court, just under the words of the forum clause.

This Court doesn't need to decide this matter here and now, because there is another venue, one that the parties chose, that can deal with all of the issues that has come up between the parties, including ones that the Court has already decided are not relevant to this proceeding.

And the second reason, Your Honor, that the relief should not be granted is that even if the Court decides it has jurisdiction over this case, under New York law, the so-called defaults do not support acceleration and the forfeiting of an entire company. So even if the Court determines that it should hear this proceeding, it should find that the acceleration is invalid, and therefore, the seizure of BYJU's Alpha is invalid.

Let me start with the exclusive jurisdiction clause. You've already seen Section 10.9(a) in the credit agreement, which is JX 21. The parties agreed that the credit agreement would be governed by New York law, and they agreed -- and if I can take you to the provision, which starts

on page 148 of JX 21, "Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the ... New York [court] ...."

That's what they agreed. In any -- and then you go on, "in any ... proceeding arising out of or relating to this Agreement ...." And I focus on those words, and I'll come back to in a second.

And then, at the end of the clause, you've got the carve-out that Mr. Czeschin was talking about, which says, "Nothing in this Agreement or in any other Loan Document shall affect any right that [the] Agent or any Lender may otherwise" -- and I stress the word "otherwise" -- "have to bring any action or proceeding relating to this Agreement ...." But not arising from this agreement. That's covered under the exclusive jurisdiction provision at the beginning of this section.

Now, Delaware courts apply these provisions strictly. As the Delaware Supreme Court said in *Ingres Corp. v. CA, Inc.*, that's in our brief, "Forum selection [] clauses are 'presumptively valid' and should be 'specifically' enforced unless the resisting party '[] clearly show[s] that enforcement

would be unreasonable and unjust, or that the clause [is] invalid for such reasons as fraud [or] overreaching.'" And plaintiff is not trying to make such a finding here.

What they are saying is they're misreading the agreement. They rely exclusively on that last provision.

But that's not what the agreement says. We are not saying that the clause is asymmetrical, like they argue in the brief, or that there were asymmetrical clauses. We're just looking at the words of the agreement.

If you allow GLAS to bring this action, you are reading out the clause that says that each of the parties irrevocably and unconditionally submits to the exclusive jurisdiction of the New York courts. And New York courts don't allow you to have an interpretation that leaves contractual clauses meaningless. They read out the word "exclusive."

The only way to harmonize this --

THE COURT: Well, the first sentence, if we substitute in "GLAS" for "each of the parties."

ATTORNEY KORPUS: Correct.

THE COURT: "[GLAS] submits, for

itself and its property, to the exclusive jurisdiction of ... [SDNY] ...."

ATTORNEY KORPUS: That's right.

THE COURT: Why isn't it appropriate to read that to mean that GLAS submits that it can be sued in SDNY?

ATTORNEY KORPUS: Because each of the parties, including the lenders, including GLAS, irrevocably and unconditionally submit to the exclusive jurisdiction of SDNY. It's "each of the parties." It's all of the parties in this case.

THE COURT: But then if you read that together with "Nothing in this Agreement" -- meaning that sentence that we just discussed -- "shall affect any right that" -- GLAS has to bring anything anywhere else.

ATTORNEY KORPUS: But let's focus on the words, because words do matter. They agreed to exclusive jurisdiction for any dispute arising out of or relating to the agreement.

But then what GLAS can do is otherwise bring any action that's relating to this agreement. So if it's just relating to the agreement -- let's say they have to bring some kind of an enforcement

proceeding against some asset. They can bring it.

But if it's arising from the agreement, if it's fundamental to the agreement, if it's a question of determining the key question here, which is whether or not there has been a default, that's exclusively in New York, and they've agreed to be exclusively in New York.

That's the only way you can harmonize those two sentences. Their reading of the agreement reads out the "exclusive jurisdiction" in paragraph -- the beginning of paragraph (c), where it says "each of the parties."

The way to have an agreement that says what they want it to say would say that GLAS and lenders could sue wherever they want, and the borrower or the borrow parties agree to exclusive jurisdiction. That's not what this clause says. This clause says that all of the parties agreed to exclusive jurisdiction.

And the limitation -- the exception here is a lot more limited than they suggest. It gives them the ability to chase assets elsewhere if they have to.

THE COURT: And you're deriving that

from the fact that the last sentence says "may otherwise have" and is limited to relating to --

ATTORNEY KORPUS: That is correct.

THE COURT: -- whereas the other one says "any action or proceeding arising out of or relating to"?

ATTORNEY KORPUS: That is correct. And if you look at the pledge agreement that Mr. Czeschin showed you in JX 18, it has exactly the same language. It had exclusive jurisdiction in Singapore for any matter arising out of or relating to that agreement. And then the carve-out was just for matters relating to.

THE COURT: So running with your interpretation, why isn't a 225 a right that GLAS otherwise has relating to this agreement?

ATTORNEY KORPUS: Because, Your Honor, it is arising out of the agreement. It couldn't be more fundamentally arising out of the agreement. It is a question of finding whether or not there's been a default.

We're not asking for you to --

THE COURT: Don't you make the argument that the agreement isn't properly considered

in a 225?

ATTORNEY KORPUS: Pardon me?

THE COURT: Don't you make the argument in a separate part of your presentation or in your brief that the Court shouldn't consider the agreement in a 225?

ATTORNEY KORPUS: Should consider or shouldn't?

THE COURT: Should not.

ATTORNEY KORPUS: No, I don't believe I made that argument. I believe, Your Honor, what would be appropriate is for this matter to be stayed so that a New York court can determine whether or not there's been a default. And then we can come back here and decide who should be the director.

THE COURT: Going back to the original question that I asked. A 225 is a statutory right. The ability to bring a 225, I don't think, arises out of the credit agreement.

So why isn't the 225 that depends on the underlying operation of the credit agreement, why doesn't that fall into the bucket of "otherwise and relating to" in the last sentence?

ATTORNEY KORPUS: Because, Your Honor,

I submit the question of whether or not there's been a default is arising out of the credit agreement, and the parties agreed to exclusive jurisdiction there for that matter. And there's a reason here, because New York law is important here, and the law of unconscionability is important here. And we're going to talk about it in a minute.

And I'm not saying the Delaware court can't decide New York law. It does it all the time.

THE COURT: So by your logic, you said that collections would be a type of action would fall into the "otherwise and relating to" bucket. But that would also require a default.

So how is that type of action distinguishable from this 225?

ATTORNEY KORPUS: No. Collection would require default. It would require judgment in New York. And then they have to go and enforce that judgment. And I'm saying if they have to go and enforce the judgment against some asset here or whatever, everywhere, that's why the provision is in there, to give them the right to enforce judgments. But they have to get that judgment in New York. A New York court has to decide whether or not there's been a

default.

Now, Your Honor, I just wanted to go back to what I started saying about -- about a possible stay of this provision -- of this proceeding while the Court in New York decides if there's been a default or not.

We actually have no objection, during the pendency of that stay, for Mr. Pohl to remain and the status quo order to continue until such time as the New York court decides the matter. That's fine with us. We just think that there are other matters here. There's a lot of matters in New York. There's claims by us against the lenders. There's other claims by the lenders against us, and it just makes sense for it all to be decided in New York, in addition to --

THE COURT: But you haven't moved to dismiss under *McWane* and you haven't moved to dismiss under 12(b)(1)?

ATTORNEY KORPUS: We brought the action in New York. We brought the action in New York.

THE COURT: I'm sorry. You haven't moved to dismiss this action.

ATTORNEY KORPUS: Your Honor, I believe when we first had the hearing on the status quo order, Mr. Cicero asked -- told you that we intend to make this argument.

THE COURT: You're right.

ATTORNEY KORPUS: And you said we should address it today. And that's why we're here today.

THE COURT: Thank you. I have a very short memory.

ATTORNEY KORPUS: You have a lot of cases, Your Honor. You've been busy. I've read some of your decisions recently.

So this dispute belongs in New York. That's what the parties agreed. And as Mr. Czeschin said, sophisticated parties with sophisticated advisors should be held to the terms of their agreement. And that's what the agreement says.

Now, as a matter of judicial economy, it also makes sense for this matter to be heard in New York, where all claims, counterclaims, and third-party claims relating to all matters under this agreement can be heard. This is not just a theoretical issue. We filed the complaint in New York two months ago

covering a broad variety of topics, and topics that are not before the Court and the Court has already held should not be before the Court.

Now, we can bring claims there against the misconduct and breaches of the credit agreement, improperly calling defaults, accelerating the loan, and the hundreds of millions in damages that we have suffered as a result of that conduct. We can bring claims for breach of the implied covenant of good faith and fair dealing based on the, as we see it, bad-faith negotiations by the lenders. Those claims are substantial.

But Your Honor's already held some of that. So, for example, in the Court's letter of May 24, 2023, the Court declined to include plaintiffs' proposed provision in the status quo order barring the parent guarantor from exercising the disqualifying power, and the Court stated, "Whether, as the plaintiffs suggest, the steps taken to install the alleged incumbent also revoke the Parent Guarantor's authority under Section 1.12 is tangential to the core control dispute and to Byju's Alpha's internal affairs." It is tangential. It's not before this Court. But it could and should be in New York.

And then, in the Court's order of June 26 denying plaintiffs' motion to compel an answer to Interrogatory No. 1 and to enforce the status quo order, the Court stated, "Further investigation into [] $500 million transfer that predated entry of the status quo order is not properly within the scope of this Section 225 action." That's right. But that also can be litigated in New York.

Now, plaintiffs' main argument is that it will take longer in New York. But -- and there's not been a schedule, because even just this motion to dismiss could take until 2024 to resolve, according to plaintiffs.

Your Honor, in New York, we call that chutzpah, because the complaint was filed June 6. And if we follow the usual procedure and if they filed the motion to dismiss, we could have had it heard. But it was at their request that we deferred that. They asked for an extension to July 14. Then they asked for another extension to August 25 to file the motion to dismiss or respond to the complaint.

And we only agreed to such an extension on the understanding that they wouldn't use that extension as an argument against New York being

the correct forum. We have an email from Mr. Ashby where he says, this email memorializes our agreement that neither GLAS nor Pohl will use the fact of this extension to argue for the appropriateness of the Delaware forum or the inappropriateness of the New York forum.

So we expressly wanted them not to be able to make that argument, and yet they're still making the argument of delay.

Then they're arguing that Section 225 is important because it gives you a summary remedy so that the company's not immobilized. That's on page 55 of their brief. But as we all know, and as they stipulate, this company has no active business operations. And that's stipulated fact number 34. So speed and paralysis isn't really the point here. It doesn't really matter.

And in any event, as I told you, we are fine with Mr. Pohl staying there until such time as we have a resolution from New York, and then come back before you.

And then they argue that Mr. Pohl is an independent trying to bring this suit and isn't bound by the credit agreement, and I know you had

discourse with Mr. Czeschin about that. I'm happy to address it, but I think you're already there, which is exactly right.

Mr. Pohl is only here because he claims to be a sole director and officer of BYJU's Alpha. He says so in paragraph 1 of the verified complaint. His sole basis for acting is based on the validity of the enforcement action, and that's an issue to be determined in New York. He is here as an agent of a party to the credit agreement, a party that's bound by the exclusive jurisdiction clause.

THE COURT: Can you address the argument that a 225 and the ability to bring a 225 is bestowed on stockholders and directors, it's not bestowed on the company.

ATTORNEY KORPUS: Well, it's bestowed on stockholders and directors, but he's only a director of the company by virtue of him exercising the pledge; otherwise, he's just a private citizen. Either way, he's there through the mechanics of the credit agreement and the forum selection clause, which said all of the parties, each of the parties, agree to the exclusive jurisdiction.

Also, he's not really a necessary

party to this proceeding. They didn't really need to add him. This could have been brought by GLAS alone. And the fact that they added him, I suspect, is so that they can make this argument. But he's really not a necessary party here.

THE COURT: How does -- maybe this opens a whole can of worms. What is GLAS's ability to bring a claim that is bestowed upon a stockholder or director?

ATTORNEY KORPUS: He's a shareholder. Once they -- the lenders become shareholders once they exercise the --

THE COURT: That's right. I'm sorry.

ATTORNEY KORPUS: Right.

So, Your Honor, in summary, we submit that the Court should stay this action and that the correct venue is New York. And I'll move to the substance, unless you have any more questions on that point.

THE COURT: No. Thank you.

ATTORNEY KORPUS: Thank you, Your Honor.

So the next point is that even if the Court decides to retain jurisdiction, it should find

that the notice of acceleration and notice of default were invalid. And the reason is that New York law does not allow a lender to accelerate a debt or seize assets from a pledge when the alleged defaults are just not serious enough.

In the words of the New York appellate division in the *Tunnell* case in our brief, "where the breach asserted as a basis for acceleration is trivial or inconsequential, the forfeiture may be viewed as an unconscionable penalty ...." And equitable principles don't allow acceleration.

The same point was reinforced in *Hirsch v. Lindor* in our brief, where the Court of Appeals, New York's highest court, said that the courts "may [] intervene to prevent a forfeiture of a substantial interest despite a technical breach or omission ...."

Just as an example, as a side note, New York has -- has an expedited procedure for summary judgment in lieu of complaint when you sue on a loan. And in that provision, 32.13, there are cases where courts said -- Justice Sherwood said it in *Dragons 516 v. GDC 138 E 50* -- I'll just give you the cite because it's not in our brief -- 2019 Westlaw 4089744 at page

2. Justice Sherwood, in the commercial division in New York, said, "Where a motion relates to failures other than [] failure to make payment, the motion should be denied."

So even though it has this expedited summary judgment procedure for suing on a note, the law is against allowing such a proceeding where there is a nonpayment default, a nonmonetary default. And here, that's what we have. We continued to make every payment under the loan agreement at the time they took this action.

But even outside a 32.13 context, New York courts look to three factors to justify whether a breach justifies acceleration: one, has the lender suffered actual damages as a result of the default; two, has the default impaired the lender's security; and, three, does the default make the future payment of principal and interest less likely? That's the *In re Stanhope* case that's in our brief.

And when we look at the three events of default, none of them make the grade, and they don't justify acceleration. And I'm going to go through them now.

But before I do, I want to make this

point. No one is saying that if there is a breach, they have no remedy. They have the same remedy that any party to a contract has. If they can show there's a breach and they suffered loss, they can sue for damages. They can sue for damages for specific performance. They can say we want the audited statements, and we want them now. But that's not what they've done.

They're trying to accelerate a $1.2 billion debt and seize BYJU's Alpha, and that's not allowed under New York law, because it's a forfeiture, and New York law avoids forfeitures for these type of breaches.

So first let's talk about the Whitehat guarantee issue.

THE COURT: Before we get into --

ATTORNEY KORPUS: Yeah.

THE COURT: -- whether these are trivial defaults that would excuse acceleration or prevent acceleration, I understood Mr. Czeschin to make an argument coming and going on this point; one being that the sophisticated nature of these parties means that the doctrine doesn't apply in the first place; and, second, that the acknowledgment of the

default and the entitlement to the right of acceleration in the subsequent amendments would cut off operation of the doctrine.

ATTORNEY KORPUS: Yeah.

THE COURT: Could you address that.

ATTORNEY KORPUS: Yes, Your Honor. The argument applies to parties sophisticated or not. And even the Court -- he read you from *Natixis* -- said that there are cases where the courts would allow it, and there was a case that involved sophisticated parties, and I will talk about *Natixis* in a minute.

And as to the specified default and all the amendments and all the language, I have a section as I go through default; I can go there now if you prefer. But just to summarize, all the parties agreed to, all BYJU's agreed to, is to a definition of those alleged default as "Specified Default." There is no language anywhere, in any of those amendments, saying that the company recognizes that these are valid defaults; that the company recognizes that they had the right to accelerate based on those defaults; that the company recognizes that there is no unconscionability, that they could take enforcement action, all -- there's none of that.

The one -- other than the definition of "Specified Default," the one thing Mr. Czeschin points to is that there's language in, I think, the seventh amendment that they said that they're entitled to tell GLAS to serve a notice of default. Sure, they can serve a notice of default, because they don't want to waive any of their rights either. It doesn't mean that we agree anywhere that that notice of default is valid, or that we waive any of our remedies under New York law for unconscionability. All it said is that they are entitled to serve a notice of default.

Because a forbearance in an amendment has two sides. They didn't want to waive any of their rights either. It's there to protect them. But it doesn't mean that we are not going to be here one day arguing about whether or not such -- such an acceleration is proper.

THE COURT: Well, it says that it entitles the required lenders to deliver a notice of acceleration.

ATTORNEY KORPUS: That's right.

THE COURT: Not default.

ATTORNEY KORPUS: Okay. A notice of acceleration. That's fine. They're entitled to serve

the notice. But we don't waive any of defenses to that notice.

THE COURT: Go ahead.

ATTORNEY KORPUS: May I go ahead? Thank you.

So talking about Whitehat, first of all. Now, the first supposed default was due to the inability of one of BYJU's affiliates, a company called Whitehat, which had negative net worth, to serve as an additional guarantor under the credit agreement.

And I want to emphasize the point that Whitehat was to provide an additional guarantee. They were alongside the many guarantees provided by the borrower's other affiliates, including the parent, Think and Learn, which has a multibillion-dollar valuation. Every single one of those other guarantees was provided.

As for Whitehat, the parties knew -- and it was reflected in the credit agreement -- that in order to serve as an additional guarantor, it would first need to get regulatory approval from the Reserve Bank of India. And that's not a trivial thing to achieve, and it can take time and multiple attempts.

And as our expert said in his declaration, when a guarantee is over a billion dollars, you need RBI approval; and when it exceeds 400 percent of net worth, you need approval; and when both tests are triggered, you need approval to both aspects. And that's in JX 317 at pages 12 and 13.

And because it's a serious and uncertain undertaking, there was no actual obligation in the credit agreement on BYJU's Alpha or any of the other BYJU's companies to obtain the guarantee. Instead, Section 5.17(d) provides that the parent guarantor, Think and Learn, will use reasonable commercial efforts to procure the RBI approval on or prior to April 1, 2022.

I frankly don't understand the argument that Mr. Czeschin was trying to make under the provision today when he tried to say that it was kind of a -- a drop-dead date by April 1, 2022, when he doesn't say what happens if they don't do it. I think that clause -- which they never even addressed in their brief, because I think they know it helps us, and that's why we addressed it in our brief, and it's on page 98, Your Honor, of JX 21.

THE COURT: I have it.

ATTORNEY KORPUS: That clause clearly says that the obligation is to use reasonable commercial efforts. And then says that because it's uncertain and because it's just reasonable commercial efforts, if you don't manage to do it, it's not a default.

THE COURT: I spent some time with Mr. Czeschin breaking down how that (i) works. Can you explain to me your interpretation of how that works.

ATTORNEY KORPUS: My interpretation of how that works is the failure to obtain the approval prior to April 1, 2022, is not a default because it ties to (d), which was to try and obtain -- you try to use reasonable commercial efforts to procure the approval on or prior to April 1, '22. We're going to try our best.

THE COURT: In my discussion, though, with Mr. Czeschin, I think we got to a place where they're not asserting that failure to procure RBI approval was itself a default.

ATTORNEY KORPUS: Yes. But I think what they're saying -- so then we get to 5.9, and I was going to go there next.

THE COURT: Okay.

ATTORNEY KORPUS: So they're relying on 5.9(c). But all 5.9(c) does, it's a mechanical provision. It just says that when the approval is taken, Whitehat shall accede.

Now, Whitehat India, in 5.9(c), is not a party to this agreement. There's -- an obligation on Whitehat India doesn't bind Think and Learn, doesn't bind BYJU's Alpha. Nobody's obligated to -- to make sure that Whitehat India shall accede. The only obligation on the borrower and on the loan parties was to use reasonable commercial efforts.

Otherwise, Your Honor, the distinction really makes no sense. Because, again, like they did with the forum clause, you're reading out of the agreement the "reasonable commercial efforts" provision. What is the point? What is the point of having a provision that says all we have to do is use reasonable commercial efforts to obtain the approval, when there is a provision saying that we are bound to have this entity join whether or not we use reasonable commercial efforts? It just makes no sense.

THE COURT: And how do I reach the argument that Whitehat India not acceding to the

agreement isn't a default that lays at the feet of BYJU's Alpha, given the subsequent amendments?

ATTORNEY KORPUS: Sure. When you look at the subsequent amendments -- let's go first to the first amendment, which Mr. Czeschin did not take you to.

THE COURT: And what's the JX number of the first amendment?

ATTORNEY KORPUS: Yeah. I'm just looking, I'm sorry. 105.

THE COURT: Thank you.

ATTORNEY KORPUS: So this is after the April date, right, that is in the agreement.

And first of all, let's look at the one, two, three, four, fifth "whereas" clause, where it says, "despite significant efforts (including but not limited to commercially reasonable efforts) on the Parent Guarantor's part to obtain the RBI's approval prior to April 1, 2022 to permit Whitehat India to guarantee ..., no such approval has been forthcoming to date." So they acknowledge right that there we used commercially reasonable efforts.

Then you go to Section 2 on page 2. And it says that "[a]s of the Effective Date,"

everybody agrees that in "(a) Whitehat India shall not be required to [] provide any guarantee ..." and that any -- "all consequences under the Loan [Agreement] of Whitehat India not providing a guarantee of [] Covered Obligations ... are waived ...." That's in (b).

So that's what happens first, in the first amendment. They agree that we used reasonable commercial efforts, and they agree to waive any default arising from that.

Then, later on, in Amendment 2, they include the Whitehat back in the definition of "Specified Defaults." But as I said, that's just a definition. We never agreed that those specified defaults are, in fact, defaults. And we never agreed that we didn't have defenses to those. It was just a forbearance. It's just a definition.

THE COURT: How does Amendment No. 2 interact with this first limited waiver? Does it supersede it?

ATTORNEY KORPUS: Yes. In time, you mean? Yes.

THE COURT: In effect.

ATTORNEY KORPUS: In effect? I'm not sure what the exact language is, but I assume it does.

But I don't know that for a fact.

THE COURT: And does this first limited waiver have a termination date?

ATTORNEY KORPUS: It does not have a termination date. It does say, though, in Section 3(d) that "as of the Effective Date, no Default or Event of Default has occurred and is continuing." So they're agreeing as of April 5, 2022, that there was no event of default.

THE COURT: So on the first page, the bottom of the page, that last "whereas" clause, it says, "provided that the foregoing waiver shall be of no effect on and following the later of October 8, 2022 ..." unless Whitehat guarantees or, rather, the RBI approval is obtained.

ATTORNEY KORPUS: I'm sorry, Your Honor, where are you?

THE COURT: I'm on the last "whereas" clause, on page 1 of JX 105. and I'm focusing on the definition of a "Waiver Termination Date."

ATTORNEY KORPUS: Okay. I see.

So it was an extension, is what you're saying, it was an extension to October 8. That's fine. But my point is as of that date, they

recognized that we used reasonable commercial efforts. As of that date, they agreed there was no default.

And I'm just saying that you cannot read out the reasonable commercial efforts standard and rely on 5.9(c). Because otherwise you're reading that whole clause out of the agreement, and New York law does not allow you to do that. 5.9(c) is a mechanical provision. It just says get the approval, use reasonable efforts. You get the approval; then Whitehat accedes.

This whole distinction between outcome and efforts is -- is a fiction. It doesn't -- agreements don't work that way. Otherwise -- because if they do, then you are reading out the obligation to use reasonable commercial efforts. And that's all there was here.

And it's not the -- in any event, that provision 5.9(c) was not an obligation of BYJU's Alpha or any of the loan parties. Their obligation was just to use reasonable commercial efforts.

If I can move on?

THE COURT: Yes.

ATTORNEY KORPUS: And the second reason why the reason the breach of the credit

agreement related to Whitehat, even if it did require us to obtain approval and for Whitehat to accede to the agreement no matter what, is under the doctrine of impossibility. Because under New York law, nonperformance of a contractual obligation is excused where such performance is rendered impossible by intervening governmental activities, as long as they are unforeseeable.

And as our expert explained, JX 317 at 20, in August 2022, the Reserve Bank of India passed new regulations that made it impossible for Whitehat to get approval for its additional guarantee. Because under the new regulations, Whitehat, which everybody knew didn't have assets to pass the net worth test, would no longer be able to borrow net worth from the parent guarantor. And their expert doesn't really deny that it became impossible. He just says that that change was foreseeable.

But that's just not the case. We disagree. Our expert, at paragraph 17 of JX 317, sets out that a discontinuation of net worth borrowing was never explicitly stated prior to the new ODI rules coming into effect, and it's borne out by reading the draft regulations.

The parties didn't know that it was going to be excluded, that Whitehat would not be able to borrow net worth. And there was never any indication in the draft proposed regulations that it would ever come to foresee it then. So it was not foreseeable that RBI regulation would change and prohibit the net worth borrowing and change before we could obtain the approval for Whitehat guarantees.

They also argue that the impossibility doctrine doesn't apply because the parties knew that RBI may not grant approval, or grant it in time; and therefore, it was up to the parties to allocate risk. But we say that the parties did allocate the risk. They allocated by saying we have to use commercially reasonable efforts. And that's it. That's how the risk was allocated in the agreement.

So, Your Honor, why am I spending time on this, and why did I address it first? Because it came first in time. And what it was, it was an attempt by the lenders -- this gives you a kind of flavor of how they were trying to play hardball.

We are paying all the interest. We're doing everything we're supposed to do. And they came and raised this and extorted the amendment that

allowed them to get additional fees and started talking about more amendments. And that's what they were doing. It was really a gotcha that was not supposed to be a gotcha under the agreement.

THE COURT: This is just a very fundamental question, just to be sure we're all on the same page. Can Whitehat India accede to the agreement without RBI approval?

ATTORNEY KORPUS: No.

THE COURT: Okay.

ATTORNEY KORPUS: So defendants respectfully submit that they have not breached the agreement as to Whitehat. It's not even a close question. The credit agreement did not require that outcome.

Now, I want to just foreshadow a little bit our good faith and clean hands doctrine, because this is all a problem that's their own making. We actually had a solution. We sent a detailed proposal to GLAS, and it's in JX 166 and 167, and specifically at 167, pages 7 to 9, where we said, let's just move, all the assets out of Whitehat -- the U.S. business, the Indian IP, the global IP -- into an entity that's already a guarantor. That would solve

everybody's problems.

And they said no. They rejected it out of hand. And that's one of the claims we intend to pursue in New York.

But even if we assume for the sake of argument that the credit agreement required BYJU's to have Whitehat accede to the agreement -- let's assume 5.9(c) governs, even though we don't think it does. In that counterfactual world, would it justify acceleration under New York law? Let's go back to the test in *Stanhope*. Did a failure to get a guarantee cause loss to the lenders? No. There's not a shred of evidence on the record that it did.

Did it impair the security? No. There was ample security from the other guarantors, from Think and Learn and the other affiliated companies. And they would have gotten all that same security if they only agreed to our proposal in October 2022.

Also, remember Whitehat had negative net worth. A guarantee from an entity with negative net worth is of no use.

So did it make payment less likely? No. Because we kept paying. It was just hardball

tactics by these lenders.

And that's what set everything else off. That's kind of what put us on a collision course with each other. That's why we're here today.

THE COURT: Not the absence of audited financials?

ATTORNEY KORPUS: That comes later, and I will get to that. But at that time, no. At that time, at the time of the first amendment, second amendment, they did not mention any concerns about lack of audited financial statements.

The first time they raised it as an issue was months later.

THE COURT: Well, so I hear you describing JX 105 as hardball tactics, but I look at that as a waiver and a recognition, as you point out, that recognizes that BYJU's used commercially reasonable efforts. Maybe that's one way to read it. And it, in fact, pushes out the time period to accomplish this.

ATTORNEY KORPUS: That's right. Because they didn't really want to accelerate at that time. They just wanted to use the threatening of the acceleration to try and get us to a negotiation table,

to negotiate amendments.

And I'll take you through some of that history later. It was really a negotiation tactic. It's to put leverage on.

So that's the first default, and I'm ready to move on to the financial default, if Your Honor is ready.

THE COURT: Yes.

ATTORNEY KORPUS: So there's two -- there's the audited reports and the unaudited. I'm going to start, actually, with the unaudited ones, with 5.1(b), because they come first in time.

And let me make it clear, because Mr. Czeschin didn't. We provided financial information, detailed financial information. They have some issues about whether or not the information was enough. But I'm going to take you through that.

The first one was the quarterly financials for the quarter ending December 31, 2021, that was due 75 days after the end of the quarter, so due March 16, 2022. And BYJU's did provide that in time. There's no dispute about that.

And let me take you to the report that was provided. It's JX 59. Let me get there myself.

It's 19 pages of financial information.

THE COURT: I have it.

ATTORNEY KORPUS: Thank you.

Page 1 summarizes the various members -- data for the various members of the BYJU's family — revenue, cost, payroll, marketing expenses, EBITDA, profit after tax, et cetera. Page 2 is the balance sheet for Think and Learn. Page 3 is a P&L statement. Page 4 is a cash flow statement. And then you have many pages of detailed notes like, you would see in any financial statements.

So we provided financial information. They barely make any showing of how that's insufficient. All they can do is say that instead of providing it for just one quarter, this is consolidated information for the previous three quarters.

THE COURT: And that it's not audited.

ATTORNEY KORPUS: Well, this is the obligation -- I'm talking about the obligation to provide unaudited statements under 5.1(b). That's one of the three breaches. I'll get to the audited ones. But they're also relying on our failure to provide

unaudited statements as one of the three.

They don't say how it actually harms them that we gave them information consolidated for three quarters, rather than one, or how it's material.

And the first supposed breach that they're complaining about today, this was March 2022. No one had any problem with this until months later. The first mention we can find in the record of not providing this information -- oh, sorry, they also complained that we didn't provide comparative financials to previous years. I don't know why that -- why that would be -- what prejudice they would suffer from that.

But in any event, the first time we can find anything on the record of the lenders complaining about that is five months later, August 29. So for five months, they had this financial information. They didn't write immediately back and say, hey, you didn't give us this, you didn't give us that, it's a default. Nothing.

And then the next one is the financial for Q1 of 2022, '23. Those you will find in JX 145. They were also provided on time. They say that the financials were due on December 13, but actually,

that's not 75 days from the end of the quarter. Sorry. They were due on September 13, not on August 14, as the lenders say, if you do the math.

But in any event, if you look at 145, again, we gave highly detailed statements — income statement, cash statement, on page 1; balance sheet on page 2; p&L on page 3; cash flow statement, and all those notes.

And although we didn't provide it for P&L, for the other BYJU's company, we even gave the comparison to previous years that they're complaining they didn't get. And you'll find that in JX 150, which has a P&L comparing Q1 '22, '23, to Q1 '21, '22. JX 151 is a document showing year-on-year revenue trends. And JX 152, which is group company key performance indicators.

So they got a lot of financial information, and they haven't made any showing as to why lack of comparatives for the Think and Learn company is material, when they had all of this other information, or why it allows acceleration for a $1.2 billion debt.

Now I want to address in the *Natixis* case that you had Mr. Czeschin talk about, and that

was also featured heavily in the brief, for the proposition that a default is a default is a default. It's not true that the *Natixis* Court refused to entertain arguments or the Court declined to consider triviality of a default.

In fact, Mr. Czeschin actually said today that unconscionable conduct on the part of a creditor to exploit a technical breach does give the Court the ability to deny enforcement. That's at page 8 of that decision.

But the Court noted that, unlike what we allege here, the borrowers did not allege that the lenders engaged in exploitive, overreaching, unconscionable conduct. We do allege that here. And let's look at the breaches in *Natixis*. They were very different.

Now *Natixis* was a mortgage foreclosure action relating to a development in Times Square in New York. And the defaults in *Natixis* were failure to satisfy key conditions for the loan, such as achieving completion of the project on time, replenishing reserve accounts, and securing a major retail tenant to anchor the property. These are major undertakings. This is not you've provided us certain financial

information, but not enough financial information, or you didn't add an entity with negative net worth as a guarantor, when everybody knew that it was a problem there them as a guarantor.

It's a very different case than *Pegasus*.

So now we're going to go to the audited reports. Again, we submit that, one, if it is a breach of the credit agreement, it doesn't reach the level that allows them to accelerate a $1.2 billion debt. How do we know that? Well, first of all, the original credit agreement said that. The original credit agreement, Section 1.11, said that -- that any breach arising "solely as a result of a failure [by] any Loan Party to provide a notice, report, budget, certificate ... or similar [financial] deliverable ... [would] be deemed to be cured upon delivery of such Reporting Deliverable to the Admin[] Agent, notwithstanding that the time [] for delivery ... have expired or passed."

Now, why is that important? Because it recognizes that at the time that the parties entered into the agreement, they did not consider that failure to provide a deliverable, like audited

accounts, was so material that it allowed you to accelerate. There was a cure period.

Now, they relied on the amendment that came later, when we were in negotiations, where we said that, okay, now we can't cure anymore. Amendment 7, I think it is. But that's not the point. The point is, what did the parties agree to at the time of the credit agreement?

The point isn't, can we cure today or can we not cure today? The point is, is it unconscionable to accelerate a loan based on failure to provide audited statements, where at the time they entered into the agreement, the parties agreed that failure to provide such notices on time, such financial deliverables on time, is not a default.

THE COURT: The provision provides the ability to deliver and then have that delivery be deemed to be cured, provided there has been no acceleration. So it doesn't speak to the materiality of the default in view of acceleration.

ATTORNEY KORPUS: The provision recognizes that it wasn't so important to deliver it on time. And I understand that they claim they're allowed to accelerate on it. But we're saying it's

unconscionable to accelerate on it when the audited statements are around the corner.

Now, he talked about Deloitte. And I have issues about referring to a letter from Deloitte where it's clear rank hearsay; they're not here, they weren't subpoenaed, they weren't deposed. He's putting up a letter that was from public sources.

But what the company has said in its releases, and what Mr. Ravindran testified to in his deposition, is Deloitte was replaced with BDO. BOD is another large firm. BDO promised the audited financial results by the end of September. So in a month, they're going to have those audited financial results.

And the question is whether this delay -- have they shown any damage as a result of the delay? Have they shown any prejudice? Have they shown any impairment? Without that, relying on that delay to accelerate and forfeit the company is a penalty that's not allowed under New York law. And what's important --

THE COURT: But my point -- and I didn't really string words together in a cognizable way, and I apologize.

I understand your argument to be that Section 1.11, and this ability to deem a cure upon delivery at sort of any time in the future, indicates that failure to deliver financial statements on the contracted-for period can't support acceleration because 1.11 shows that failure to provide them timely wasn't material.

Is that your argument?

ATTORNEY KORPUS: That's my argument.

THE COURT: And so my question is how 1.11 can support that, when it still provides for the right to accelerate.

ATTORNEY KORPUS: What provides for the right to accelerate? 1.11?

THE COURT: Yes. It doesn't put off the ability to accelerate to such time as it might be deemed to be cured.

ATTORNEY KORPUS: I don't believe that 1.11 gives you the right to accelerate.

THE COURT: It doesn't. That is not the source of the right.

ATTORNEY KORPUS: Right.

THE COURT: But it cuts off the right to cause a cure upon late delivery upon acceleration.

It says, "(provided there has been no acceleration of the Term Loans ....)"

ATTORNEY KORPUS: Right. But that -- but that assumes that there was a valid acceleration in the first place, right? I don't think you can say --

THE COURT: I understand.

ATTORNEY KORPUS: It's kind of circular the way it's written, right? I don't think you can say that failure to provide it does not -- failure to provide financial information is not a default, unless there's been an acceleration, but then base the acceleration on the failure to provide the financial statements. I think what that says is, if there's an acceleration for something else, like for nonpayment, for example, that's a different issue.

THE COURT: But it doesn't say that.

ATTORNEY KORPUS: It doesn't say that. It may be a little unclear about it. But I don't think -- it would be completely circular otherwise. It would defeat the purpose of that provision. If you could just accelerate based on failure to provide the statement, then what's the point of the provision?

And it's not like they didn't receive

financial statements. I showed you all the financial statements they will receive, and they will receive audited financial statements. But where is the loss? How does this cost them?

And now I think we need to talk a little bit about what were the lenders doing. Sorry.

Going back to *Stanhope*, there's been no loss to them. And, in fact, there's no evidence that the trading price went down in September 2022, when the other financials weren't provided. And, in fact, the lenders kept trading. And this is important. If this was impairing their security, why did they buy more?

So if you look, for example, at Redwood, which is the largest holder here, they just kept buying. Exhibit JX 157 shows that on September 27, 2022, after the supposed first quarterly report breach, and at almost exactly the same time of the supposed audited statement breach, they had $33 million.

Then, when you look at Exhibit JX 172, it shows that interest increased to $165 million as of November 21, 2022, two months later. And then, if you look at the position as of March 1, 2023, that's in

JX 219 and 220, Redwood increased its position to $216 million.

So to hear complaining about not receiving audited financial statements, they didn't seem to care that much about it. They kept buying and buying and buying. They increased by, I think, seven-fold their holding in BYJU's over the time that they're complaining about not getting these statements. Because, Your Honor, it's all just about leverage. And it doesn't justify acceleration. There's been no effect on the security. And as I mentioned before, BYJU's Alpha kept paying.

Now, I think I addressed the specified default provision and why we don't believe it supports what the lenders are doing here. It's just a definition.

By the way, the reason why you've heard so much from Mr. Czeschin about the amendments and so little about the agreements -- he didn't take you through the financials. He didn't really take you through the defaults -- is because the testimony of record is that GLAS never performed any analysis, before serving the notice of acceleration and enforcement, as to whether there was a default. They

weren't able to point to any analysis done by anyone else. That's in the Goldstein deposition, at 42:19 to 43:14 and 104:17 to 105:8. So they're relying almost exclusively on these amendments, and they're trying to say that we are estopped from arguing there was no default.

But the defined term, as I said, cannot make it an estoppel. And all the cases they're relying on are all cases where there was an estoppel certificate.

So I'll take you through them. In *Hammelburger v. Foursome Inn Corp.*, the mortgagor executed an estoppel certificate saying there were no defenses or offsets to the mortgage. That's not the case here. We never agreed there were no defenses.

In *Four Asteria*, it's the same. The estoppel certificate was denying claims against the lenders. Against the lenders, yeah.

And in *Joab Com. Laundries v. Reeder*, the defendant entered into a stipulation promising to allow a confession of judgment if he did not perform certain repairs. There's nothing like this here. We didn't concede anything. We just entered into an amendment. Everybody was negotiating. Everybody

keeps their powder dry. They want to call it the specified default so they don't waive their right. Fine. We don't agree, but we're going to try and negotiate.

So, Your Honor, we don't believe that any of these breaches justify acceleration of the loan. And we don't believe that the amendments change that at all. And we -- we believe that plaintiffs have failed to show that there was a breach with respect to Whitehat, given the fact there was no actual obligation to achieve the Whitehat guarantee at all, and that the possibility of doing so was foreclosed by impossibility.

As to financial reports, they've not shown how they've been negatively impacted, how the security and chance of repayment has been impacted by the fact that we didn't provide certain information, like comparisons to previous years.

And as for the audited statements, they haven't shown any impairment from that either, even though we -- and, certainly, we hope to provide those next month, when BDO completes its audit.

And BDO, by the way, was already in the audit. It was auditing the subsidiaries. It's

just now taking over the audit of the parent company.

And none of that is enough to accelerate the $1.2 billion loan.

And the negative publicity and this litigation and leaks to the press by the lenders, that's all put us under immense pressure and damaged access to capital, and there are serious claims that we intend to pursue in New York.

Now, why are they playing such reckless hardball? And that's kind of the sub-context here. Because, as you know from the agreement, from page 20 of the credit agreement, distressed debt investors are not supposed to be in this deal, and yet they're all over this deal. Redwood, which I mentioned earlier, grew to be the biggest holder here, with over $200 million. Their own LinkedIn profile page says that they're an SEC-registered investment advisor that focuses primarily on distressed and stressed credit opportunities.

Redwood also stated in a recent SEC filing that it focuses on distressed and stressed investments, primarily in the fixed income markets. It's no secret. It's right there in the filings.

HG Vora, another member of the

steering committee, has the second-largest holding, I think. Maybe not, but it is a large holder, over $100 million. It lists distressed investing as one of its specialties on their LinkedIn page.

And another steering group member, Silver Point, was recently described by Bloomberg as "among the titans of distressed investing."

So that's what's going on here. They were not supposed to even be in the deal, and they're driving the bus, and they're driving it over a cliff.

THE COURT: So why didn't BYJU's Alpha exercise its disqualification rights?

ATTORNEY KORPUS: Because we were negotiating in good faith. We were trying not to antagonize the lenders. We were trying to get to a deal. We were negotiating in good faith. They weren't.

But what we wouldn't do, they asked us as a precondition to the negotiations to waive the right forever. And we wouldn't do that. We said, as part of an amendment, we'll waive it. But we're not going to waive it on day one and lose all leverage. But we won't exercise it for now because we really do want to get to a deal with you. And now we're being

penalized for doing so.

In any event, it doesn't really matter, because even after we exercised it, they're refusing to recognize the validity of it because they're saying that, at this point, Mr. Pohl took over, and the parent guarantor did not have the right to serve the notice. And that's an issue we're going to have to fight about in New York court.

THE COURT: Your brief states that BYJU's was initially unaware that the lenders were being controlled by distressed debt dealers. Can you reconcile that with what you just explained as to how public that information was?

ATTORNEY KORPUS: Yeah. I mean, they didn't -- they executed the master consent. They didn't go through the 180 lenders and research each one of them online to see what business they were in, right? They -- at the time, Redwood wasn't such a big holder. And they don't know who is in the debt market and who's doing what, and it wasn't really relevant to them.

They must -- the agreement expressly recognizes that notwithstanding the master consent, you still have the right to come back in the future

and disqualify the distressed lenders if you find out that they were distressed lenders. It specifically allows for that right, and that's exactly what's going on here.

The other -- we have a point about -- sorry. I just wanted to address the nonpayment of interest now, after all this damage has been done.

To be clear, we don't believe that's a -- I don't believe their argument that it's a basis for putting in Mr. Pohl, because it happened *ex post facto*, right? You can't turn back the clock and rely on something that happened later. But just to give you the context, the brief doesn't really argue that nonpayment gives them the right in this 225 action to put Mr. Pohl in as a director. And their complaint doesn't do it, and they didn't move to amend the complaint. We certainly object to being able to rely on actions that happened later.

But Mr. Czeschin did say that they sent an invoice for the interest that wasn't paid, and that's actually not true. Because when you look at what they sent us, which is JX 287, what they sent us is an invoice for the whole amount, for $1.25 billion, in accelerated term loans, plus interest, plus

$8 million of professional fees that we don't believe they're entitled to, because the agreement says they're only entitled to one advisor and they've got an army of advisors. And they made it clear that if we were to pay just the interest, they're going to apply to the profits first.

So we never actually got a bill for the interest. We would have paid the bill for the interest, but that's not what they were trying to do. They were not backing away from the acceleration. We are ready to go back and pay the interest if the Court finds that there was no default here.

Your Honor, just to address unclean hands. Plaintiffs waited five months from the first supposed breach on the quarterly unaudited financials until they actually said anything about it, like I said, at the end of August 2022. And then they waited 11 months to take action, by serving a notice of acceleration.

And they say that no good deed goes unpunished because they were negotiating a resolution with us. But that really inverts the reality. They weren't acting in good faith. They were using this threat of acceleration to squeeze concessions with

tens of millions of dollars and completely rewrite the obligations.

And when you look at the negotiation history, it actually tells you that. So in October 2022, after these defaults, so-called defaults happened, lenders made two "offers." And I'm using speech marks. The first was to pay the entire term loan at 105 percent, plus all kinds of costs. So more than they would get in an acceleration, acceleration plus.

And the second was perhaps even more Draconian. It was immediate payment of two-thirds of the loan, as well as an exit fee of the total loan for each month it was still outstanding, and a consent fee of 402 percent and penny warrants of 5 percent of the parent's guarantor with antidilution provisions. That's in the declaration of Mr. Ravindran. And those offers were not good-faith attempts, and they were actually way beyond the pale.

And we continued to negotiate in good faith, and you have some of that. We responded, in JX 202 and 203, with a term sheet which offered concessions worth tens of millions of dollars, including an interest rate increase of 300 basis

points, 3 full percent, and further interest rate increases.

That was summarily rejected by the lenders, who countered, in JX 202 and 203, with an immediate pay-down of $252 million at the penalty premium for 105 percent, and a further 240 million to be put in a blocked account.

So that's kind of how the negotiations have gone here. That just gives you the flavor. I recognize it may be not germane to the contractual issues, but I think context is important here.

And then, in addition to that, there are -- there's a bag of bad tricks. They admit that they contacted 300 financial institutions, telling them of the remedies they exercised. They threatened to illegally disclose confidential information, in violation of an NDA, until I had to send an email telling them it would be a violation and they, backed off. That was in JX 273.

They had their Hong Kong advisor contact potential investors telling them, don't invest in this company. All just to put leverage on us. All because they are -- they've been hijacked by the steering committee of these distressed debt investors

who are not supposed to be in the deal in the first place.

Your Honor, I just briefly, before I end, want to address the fees paid to Mr. Pohl, which we have an issue with in our brief.

Mr. Pohl has agreed to pay himself $75,000 a month for a minimum of three months under some independent director agreement that he entered into. That dates back to March 3. When he took over BYJU's Alpha in May, he was back-paid $150,000 for months he didn't actually serve as a director because he didn't have control of anything.

We're not -- so he's already paid himself, at the time of his deposition, $375,000 for being a director of a company that doesn't have any assets, doesn't have any operation, doesn't do anything, not clear what he does. Level of pay doesn't make any sense. And we believe it's a violation of the status quo order.

Having said that, if the Court were to keep him in place, we'd be willing for him to -- while the case goes to New York, we'd be willing, you know, to put up with it. But otherwise, we really don't believe that it's appropriate level of compensation.

He says it is part of the ordinary course of business provision of the SQO. We don't think there's anything ordinary about that compensation. Plaintiffs argue that they benchmarked it against the market for independent directors. I don't think they benchmarked it against the market for independent directors of an SPV, and if they did, then I think we're in the wrong business.

So that's where we are on that issue, Your Honor. We believe this is a self-dealing transaction and that those payments are contrary to the SQO.

That's all I have, I believe, unless you have any questions for me.

THE COURT: No. Thank you very much.

ATTORNEY KORPUS: Thank you, Your Honor.

ATTORNEY CZESCHIN: Thank you, Your Honor.

I want to start by getting back to you on some of the questions that you asked.

You asked about whether or not any of the amendments dealt with the disqualification issue. It does come up in Amendment No. 7, one of the later

amendments. And the parties agreed --

ATTORNEY KORPUS: I'm sorry, Your Honor. I didn't realize there was going to be a reply. I thought Mr. Czeschin had already used all of his time.

THE COURT: I'll give you a couple more minutes at the end as well. Thank you.

ATTORNEY CZESCHIN: The parent guarantor did agree that they would not attempt to disqualify a lender for a period of time during the negotiations. But that was one of the later amendments. In all of the earlier amendments, there was no such agreement, and that was only for -- there was a period of time during the forbearance period, and a tail period afterwards, they agreed that they would not exercise that disqualification right. But they never exercised that right during all of the prior months in which they claim now they were being oppressed and they had the ability to do so.

So I wanted to address Your Honor's question on that.

Focusing now on the other side's argument. I think that their position, first on the forum, is clearly incorrect. As we said, we believe

Pohl is here in a personal capacity. This affects his office. This affects his ability to get the pay that we just heard about. This is personal to him. We think he is here in a personal capacity.

But beyond that, GLAS certainly has a right. They are the stockholder. They own 100 percent of the stock now of BYJU's Alpha. They have the right. And under the plain language of that forum selection clause, it provides that GLAS is not bound. GLAS can go wherever it wants.

And I think their argument that they're trying to make is, well, the exception related to GLAS says relating to the agreement, and it doesn't say arising out of the agreement. I believe there's Delaware case law that says relating to the agreement is broader language than arising out of. It's broader. So the GLAS exception is broader, and you have that same exception in every one of the agreements.

So clearly the intent was, of the parties, that GLAS could sue wherever GLAS wanted to. It was only the borrowers that were bound to sue in New York.

We talked a little bit about the New

York action. They didn't file a *McWane* there. They don't make a *McWane* argument because it's the later-filed action. It was filed months after this case was filed. And that case, you know, it will take a very long time to get resolved in New York. And the whole purpose of Section 225 is to provide a prompt means to resolve these types of disputes.

And they said, well, it's only an SPV, a special purpose entity. There's no assets; there's nothing that can be done. That is wrong. It might be a special purpose entity, but it's not the case that this case getting resolved isn't important to the parties and to the company.

This is a company that has an accelerated $1.2 billion debt. And, you know, I don't want to get into the issue a lot about the $500 million transfer that we talked about before, but this company might have a right to go after that $500 million that was transferred out. And, you know, those issues need to be resolved promptly.

This is important. It's important to GLAS. It's important to the lenders that we figure out who's in charge of this company so we can figure out whether or not this company can chase that $500

million; you know, whether it can do other things related to the acceleration of the loan.

So it is very important. It is exactly what Section 225 provides for, as you can see in the *Hawk Holding* case, which was very similar.

They then say, well, ah, you really haven't suffered any harm. You know, just a bunch of financial statements.

Your Honor, these are lenders on a $1.2 billion debt. And they contracted to know information about the financial stability of the company that's supposed to pay them back, and that's really their collateral.

And if you don't have any information about what is going on at that company, especially not audited information, then that is impairing your collateral. That is affecting you. That is making your investment not what you intended to be. This isn't what they bargained for, and they're losing their rights to transparency.

There was a lot of the focus on the contract, and said, well, "Specified Defaults" doesn't mean it's really a default. We don't think that's credible.

And then this idea that they said well, you're entitled to send the notice of event of default and acceleration, but that doesn't mean that we don't have defenses. You know, I also don't think that's credible, but it's also beside the point.

Because the trigger event in the pledge agreement and the security agreement is the sending of the notice. It's not whether or not the notice is -- whether or not they have some defenses to the notice, they have arguments against the notice. The triggering event that allows GLAS to take over control is the delivery of the notice. And if they want to challenge it, I guess they can challenge it. But that triggering event, when that notice was sent, GLAS had the power to take over the company. And that's what the contract says. And that's JX 19.

They also then looked at that first waiver agreement, and Your Honor was correct. All that first waiver agreement said was you guys didn't get the Whitehat guarantee by April 1; we agree not to enforce that obligation for another six months. So this is not the lenders acting in a predatory manner. They're saying, fine, take another six months.

Now, did they ask for some fee in

connection with that? Yes. Because lenders do that. You know, you didn't live up to your obligation, so we're going to give you six months more. You know, you're going to have to pay our legal fees in connection with this, et cetera. That's just normal course. That is not acting in bad faith.

There are several other points that I wanted to highlight for Your Honor in their answer to the complaint.

Well, first, before we get there, they -- well, they say that -- you went through the financial statements that we did get and the first set of financials in March of 2022, and said, oh, look at these financials; we gave you information.

It didn't have all of the information. It was only nine months consolidated. They didn't break out the last quarter so that we could see how the business was -- was doing in the last quarter, whether or not it was trending down or trending up. It all gets blended together over a nine-month period.

They also didn't provide us the last year comparable numbers so you can see how the performance this year compares to last year; again, to see, is the business trending up or is it trending

down.

And there's no dispute about this. They admit it in their answer, that they didn't provide that. It's paragraph 54 of the answer. "Defendants admit that ..., around March 16, [], Think and Learn provided GLAS with financial statements for the then-elapsed portion of [the] fiscal year" -- so that's the nine months -- "[] that it did not provide GLAS with financial information for [the] third fiscal quarter and ... did not provide GLAS with [fiscal] information for [the] previous fiscal year."

There's no dispute that the stuff that they were giving us -- yes, they gave us numbers, but those numbers were not in accordance with the contract.

And then, also, when you get to September, they failed to give us the audited numbers, which is particularly significant, and as I think Your Honor noted.

There was also the statement about, well, the unconscionable conduct of the lenders in this whole argument. We don't think that that is correct at all. But they said, well, we're going to do that in New York. We didn't -- we can't do that

here. They can do it here, and, in fact, they have done it here. If you look at the affirmative defenses, in the answer to the complaint, they say "Plaintiffs' acceleration and enforcement actions are unconscionable and unwarranted because the purported bases for acceleration are trivial [and] inconsequential." That's the first affirmative defense in their answer to the complaint.

But then they chose not to take any discovery on it. They could have sent a subpoena to a lender. They could have, you know, taken Redwood's deposition. They didn't want the evidence in the record.

The only person that brought forth evidence would be our side, when we had the deposition of Mr. Spencer, who was the Houlihan Lokey attorney or financial advisor.

So they didn't make any effort to support their affirmative defense. They just want to really rely on lawyer argument and say, oh, it's so horrible what the lenders are doing here.

And that just -- that's ridiculous. This is not predatory behavior. This isn't a case where they had a footfault, they missed a deadline,

and then the next day the lender calls the loan. This has been going on for over a year almost, now, and there have been months and months of negotiations, and there was forbearance after forbearance after forbearance.

What would they have rather us done, accelerate the loan six months ago instead of negotiating? You know, we took the lesser course and tried to negotiate a resolution. That is not unconscionable conduct.

Also, you know, when you're a lender and you're not getting the financial information that you were promised, then you go to the other side and you say, we're not getting the stuff that we were promised. We want that, but now I'm also really concerned about my debt. I want something else. You know, not only do I want the information you didn't give me, but because you didn't give it to me, now I'm really concerned. I would like you to pay down some of the debt. I would like to get, you know, my 1.2 billion go down to a billion. There's nothing wrong with that. That's what lenders do. That's what Mr. Spencer testified.

You know, they're in a bad position.

They want to de-risk because they've got a company that its internal controls are so bad they can't produce compliant quarterly financials internally, and they can't produce audited financials at all.

So --

THE COURT: Why don't you make one more brief point and then I'll ...

ATTORNEY CZESCHIN: I've got it. Thank you, Your Honor.

THE COURT: Thank you.

ATTORNEY CZESCHIN: The only point I'd like to make is, you know, on Redwood, they were an original lender. They consented to Redwood being in the debt. I think that's clear from the record, the master consent agreement.

I also want to note we do have a hearsay objection to Mr. Riju Ravindran's declarations being considered for the truth of the matter. They're hearsay under 801, and there's no exception.

THE COURT: Thank you very much.

ATTORNEY CZESCHIN: Thank you.

ATTORNEY KORPUS: I'll be very brief, and then you can go celebrate your son's birthday, Your Honor.

THE COURT: Oh, thank you. I don't know how you-all knew about that. That's a little creepy.

ATTORNEY KORPUS: Your Honor, first of all, on the jurisdiction clause, maybe there is case law that says "relating" is broader than "arising." But the difference here is that you have above arising and relating, and then the draftsmen especially took the arising out of the exceptions. So it says relating only. So it's not for disputes arising out of the contract. That's a distinction drawn within the clause itself.

Mr. Czeschin said that it's going to take forever in New York. If it is as simple and straightforward as they say, it will be determined on a motion to dismiss. If it's as simple -- they'll do what we did here. The reason they agreed to this, and the reason we agreed to this hearing on a paper record, is because we don't believe that there is really any need for any witnesses here. We believe we can argue on this issue based on the record.

Yes, we didn't subpoena the lenders. We're still talking to the lenders. We're still negotiating. We're still hoping to do a deal. It's

what we want to do. We didn't want to aggravate them further by having to subpoena them. But we believe you have everything you need to make a determination.

They got lots of financial information. For the first time, I had Mr. Czeschin recognize, saying exactly what I told you. They got some information, they got three quarters, but on the fourth quarter, they didn't get comparables. That's not enough. That's not enough to accelerate a $1.2 billion loan.

And he says that on the -- giving notice, that the -- the act of just giving the notice is enough to accelerate the loan. That's all they have to do. That's absurd. If that was the case, there wouldn't be any lawsuits. You could issue a default notice even when there's no default at all and accelerate the loan. That's not how it works. You always have the right to come to court and say, hey, that acceleration wasn't proper.

And we didn't say that we can't argue unconscionability here as a defense of the 225. What we said is, number one, we have claims for damages arising from that, and those can be brought in New York. And in any event, the entire dispute as to

whether or not there has been a default belongs in New York, because it's so fundamental. Not just to what we're doing here. They want to take this decision and use it in other jurisdiction and say, a-ha, the Court found that there was a default. A New York court is the right court to make that decision. That's what the parties agreed to.

And I believe that's all I have, Your Honor.

THE COURT: Thank you very much.

ATTORNEY KORPUS: Thank you.

THE COURT: I wanted to know if you-all planned on exchanging one more round of briefing. Obviously, you joined issue today, but I only have one round; basically, your simultaneous openings.

ATTORNEY CZESCHIN: The pretrial order -- or not the pretrial order, the scheduling order, I believe says that there won't be post-trial briefing. We haven't talked about it.

If Your Honor thinks post-trial briefing would be helpful, I'm happy to talk with them about it. But if Your Honor thinks that the record as it is is sufficient, we're happy to stand on it as

well.

ATTORNEY KORPUS: We'd be happy to do it if Your Honor wants it.

THE COURT: All right. I'll let you know. I just wanted to check in on your expectations.

Thank you all very much. Travel safe. I appreciate the accommodation on the time. I remembered why you knew that, and thank you very much. Take care.

(Court adjourned at 12:30 p.m.)

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CERTIFICATE

We, JULIANNE LABADIA and DEBRA A. DONNELLY, Official Reporters for the Court of Chancery of the State of Delaware, do hereby certify that the foregoing pages numbered 3 through 146 contain a true and correct transcription of the proceedings as stenographically reported by us at the hearing in the above cause before the Vice Chancellor of the State of Delaware, on the date therein indicated.

IN WITNESS WHEREOF we have hereunto set our hands at Wilmington, this 4th day of August, 2023.

/s/ Julianne LaBadia
Official Court Reporter

/s/ Debra A. Donnelly
Official Court Reporter

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EXHIBIT 28

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

GLAS TRUST COMPANY LLC, in its capacity as Administrative Agent and Collateral Agent, and TIMOTHY R. POHL,

Plaintiffs,

v

RIJU RAVINDRAN, BYJU'S ALPHA, INC., and TANGIBLE PLAY, INC.,

Defendants.

C. A. No. 2023-0488-MTZ

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Chancery Court Chambers
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Thursday, May 18, 2023
3:15 p.m.

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BEFORE: HON. MORGAN T. ZURN, Vice Chancellor

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TELEPHONIC ORAL ARGUMENT and RULINGS OF THE COURT ON PLAINTIFFS' MOTION FOR EXPEDITION AND MOTION FOR STATUS QUO ORDER

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\- - -

THE COURT: Good afternoon. This is Morgan Zurn. May I have appearances, please, beginning with counsel for Mr. Pohl.

ATTORNEY CZESCHIN: Good afternoon, Your Honor. This is Brock Czeschin from Richards, Layton & Finger on behalf of plaintiff Timothy Pohl. With me in my office is Susan Hannigan Cohen, and on the line with us from my office are Nicole Henry and Caroline McDonough.

THE COURT: Thank you.

Counsel for GLAS Trust Company?

ATTORNEY NEAL: Good afternoon, Your Honor. Lauren Neal of Morris Nichols Arsht & Tunnell on behalf of plaintiff GLAS Trust Company LLC. On the line is my colleague Elizabeth Mullin, and also on the line is Patrick Ashby from Linklaters, Irena Goldstein, senior legal counsel at GLAS, and Katie Fischer, who is a vice president at GLAS.

THE COURT: Thank you.

Counsel for the defendants?

ATTORNEY CICERO: Good afternoon, Your Honor. Joe Cicero, Chipman Brown Cicero & Cole. Also on the line with me are my co-counsel, Sheron Korpus and David Max from the Kasowitz Benson Torres firm.

THE COURT: Thank you.

ATTORNEY CICERO: And also, I will note I believe I have some client representatives listening. They are going to be on mute.

THE COURT: Thank you. That was my first request. I hear a lot of folks joining our call. Please mute your lines if you're not speaking.

The second is that I understand someone violated our court policy and the trust that we put in you-all when we make these accessible to the public and was recording this proceeding. That is strictly prohibited, and if I hear about it, you will not be able to participate in these proceedings any further.

Third, Mr. Czeschin, your audio quality was not great. I don't know if there's anything you can do to improve that. But we'll go from there, and you may proceed.

ATTORNEY CZESCHIN: Thank you, Your Honor.

I believe there's some interference on the line, or I'm not sure if it's people clicking in or off of the call. But hopefully you can hear me better now?

THE COURT: It is better. Thank you.

ATTORNEY CZESCHIN: Okay.

So with Your Honor's permission, I'll be speaking on behalf of both of the plaintiffs today and addressing the motions for entry of a status quo order and for expedition in this action that's brought pursuant to Section 225 of the Delaware General Corporation Law.

And I would like to start, briefly, with just a description of the underlying facts. Plaintiff GLAS Trust Company is the administrative and collateral agent for a group of lenders that provided a $1.2 billion term loan to Byju's Alpha. And Byju's Alpha is a special-purpose entity that was set up to be the borrower for that loan. Byju's Alpha was a wholly owned subsidiary of Byju's Pte., which is part of a family of Byju's companies that operate a very large online education business.

And the loan terms are set forth in a number of detailed agreements, including a credit agreement, a security agreement, and a pledge agreement. And pursuant to those agreements, a number of the Byju's entities agreed to be guarantors for the loan and/or they pledged various assets --

UNKNOWN SPEAKER: I'm so sorry to interrupt. I believe the hearing is underway, so I'm going to hop off.

THE COURT: I'm sorry. Everyone except for Mr. Czeschin needs to mute their lines.

Mr. Czeschin, you may proceed.

ATTORNEY CZESCHIN: Sure.

So, again, pursuant to the agreements, there are a lot of Byju's entities, related entities, that agreed to be guarantors for the loan and/or they pledged assets as collateral for the loan. And that would include one of the other defendants here, Tangible Play, Inc.

And those loan documents were signed in November of 2021. And unfortunately, relatively quickly thereafter, Byju's Alpha and its related entities fell out of compliance with the loan terms. And I don't think it's necessary to go too deep into the detail on this call into the defaults, but they fall into three general buckets.

The first bucket was the failure to provide audited financial statements. The second failure was not providing timely or complete unaudited financial statements. And then, third, there was a

failure by one of the Byju's companies, known as Whitehat, to join as a guarantor to the credit agreement by the date it was required to do so.

And these defaults by Byju's, they started in February of 2022 and they continued to pile up as time went on, so that by the summer of 2022, you have counsel for the lenders sending correspondence demanding that the defaults be addressed. And this led to, you know, months of correspondence and negotiations between the parties, including the execution of several amendments to the credit agreement and a forbearance agreement.

And in those agreements, Byju's expressly acknowledges and agrees to the existence of the defaults, and they are defined as the "Specified Defaults" in the papers. And they further agree that those specified defaults provided the lenders with the right to accelerate the loan once the forbearance period expired. And we quote those documents at the outset of our reply brief that was submitted, Your Honor, and we submit that the language could not be more clear.

Nonetheless, despite the best efforts from the lenders and from GLAS, the negotiations

during the forbearance period were not successful. Either Byju's would not engage, or they continued to drag their feet and they continued to fail to perform the obligations under the credit agreement.

So February 10, 2023, comes, and that is when the forbearance period expires. And it expired without any resolution.

But, again, the lenders did not immediately accelerate the loan and exercise their remedies on that date. They tried to continue to engage with Byju's for several more weeks. But given the continued foot-dragging on that side and growing concern about the security of the loan, on March 3, 2023, the lenders determined that they had no choice but to instruct GLAS, as the administrative and collateral agent, to provide notice of default and acceleration of the loan and to exercise the remedies under the pledge and security agreements.

In particular, GLAS exercised its contractual right to transfer 100 percent of Byju's Alpha's stock to itself, and following the belt-and-suspenders rights in the loan documents, also executed an irrevocable proxy memorializing its power as the attorney-in-fact of Byju Alpha's direct parent.

And these actions gave GLAS the authority to vote or otherwise control 100 percent of Byju's Alpha's stock. And GLAS used that authority to execute a stockholder written consent that, among other things, removed all of Byju's Alpha's existing directors -- and we understand that there was only one director, and that is Mr. Riju Ravindran, one of the defendants here -- and appointed in his place, as the new sole director, Mr. Timothy Pohl.

And that written consent was properly drafted and delivered to the company, and there's no dispute that's been raised by the defendants with respect to the written consent.

Also on March 3, Mr. Pohl exercised his power as the sole director by executing a written consent in that capacity removing any existing officers of the company and appointing himself CEO and secretary of the company with sole authority and control over the company's accounts. Mr. Pohl and GLAS also sent notices out to over 300 financial institutions notifying them of Pohl's exclusive authority over Byju's Alpha's accounts and seeking to locate those accounts so that he could take control.

Now, Byju and Riju Ravindran, who are

sort of the two top folks at the defendants, refused to accept this exercise of remedies, but they did come back to the negotiating table, and the parties again engaged and, you know, sought to reach a resolution of their disputes. And the lenders were willing and happy to do that, and certainly did not want to rush into litigation if it wasn't necessary.

However, unfortunately, the parties weren't able to reach an agreement, and there was increasing concern about the underlying security and collateral for the loan, especially given the announcement that Mr. Ravindran was being investigated by the Indian government.

So as a result of that, on May 3, the plaintiffs filed this litigation, along with our motion to expedite and a motion for a status quo order. And I'd like to turn to the motion for status quo order first.

It has been the historic practice of this Court to enter status quo orders in Section 225 proceedings where, as here, there's a dispute as to who the proper board is of the company. And the purpose is, really, to protect the company and its assets until the Court can determine who is the proper

board.

Now, the elements for the entry of a status quo order are a threat of irreparable harm, balance of the hardships, and a likelihood of success on the merits. The threat of irreparable harm is generally satisfied simply because you may have someone exercising control of the company that doesn't have authority to do so. And that's why status quo orders are typical in this setting.

But here, we have that form of irreparable harm plus a whole lot more. And, you know, I want to focus on that additional irreparable harm we have in this case which, really, starts after we filed the complaint. Mr. Byju Ravindran told the lenders and their advisors that over $500 million that they had been led to believe was in Byju's Alpha was no longer in that entity and the lenders would never find it.

To say that this was shocking and extremely concerning would be an understatement. This is really extraordinary conduct and is why we pushed to have this hearing promptly.

And significantly, in the declaration that was filed by Mr. Ravindran along with the

defendants' opposition papers, Mr. Ravindran admits that on some undisclosed date, presumably in 2023, the cash was moved out of Byju's Alpha to some unnamed other entity that we don't know, allegedly an entity that's related to Byju's and located in the U.S.

And remarkably, Mr. Ravindran provides no explanation for why this money was moved. He just says, well, there's no prohibition in the loan agreement on transfers.

But there is something called fraudulent transfer, when you move funds to keep them from the reach of creditors. And here, Mr. Ravindran moved half a billion dollars out of a distressed entity, after it had defaulted on its credit agreement, after the company had entered into a forbearance agreement to keep the lenders from exercising the remedies, and possibly after that forbearance agreement had expired. We don't know the date that the money was moved. And you also have, again, his brother, Mr. Byju Ravindran, saying to the lenders, "You're never going to find it."

So we felt that it was critical to get a status quo order to lock this company down and to get the current director, Mr. Pohl, in place and

access to the books and records, to understand what happened and what assets are left, if any.

And it really is necessary to preserve the current value of Byju's Alpha to understand what happened, because no one has told us where the $500 million was moved to, but it was apparently a related entity. Well, which one? Is it an entity that Mr. Ravindran controls, such that, as a party to this litigation, he can be ordered not to make any further transfers?

We have something that on its face looks, you know, highly suspect. And one of the current assets of the company may be the right to get that money back at some point. And at the very least, the plaintiffs -- and, frankly, the Court -- should be told where the money went so we can determine whether or not it could be locked down and frozen until this case can be resolved.

So this is a case in which we have a very real and somewhat -- or I'd say quite unusual situation, where there is a true risk of irreparable harm.

Now, the defendants, they don't dispute that there should be a status quo here, a

status quo order entered here. But they do dispute what is the status quo. According to the defendants, Mr. Ravindran remains the current director of the company. And that's simply incorrect.

There's no dispute that GLAS exercised remedies, including delivering a written consent removing Mr. Ravindran and appointing Mr. Pohl. That is the current state of affairs. That Mr. Ravindran has refused to accept his removal doesn't change the facts.

And where the plaintiff has taken facially valid action to replace a preexisting manager or director, this means that that new manager will generally be recognized as the incumbent and the proper side to manage the entity under a status quo order. And in our brief, Your Honor, we cited three recent opinions for this point. That would be the *Klein* case, the *Saadia Square*, and the *Haart* cases, all that were cited in our reply brief.

And they make clear that the Court must accept the allegations of the complaint as true in determining who is the incumbent, and that to put the removed director -- here, Mr. Ravindran -- back in office would be, effectively, improper mandatory

injunctive relief at the outset of the case.

Now, despite those authorities, the defendants argue, well, this case should be different because Mr. Pohl was never actually given access to the company's accounts. And we don't think that can possibly be a justification, because otherwise, the removed director could essentially always retain office simply by refusing to comply.

We also have an entity here that does not have active operations and employees. So some of the concerns that, in different cases, have come up about continuity of operations on the ground, that just doesn't apply here. This is a special-purpose entity with no operations and no employees.

And the fact is that Mr. Pohl has done everything he could to assert his authority over the entity, including sending out notices to 300 financial institutions in March and again in May, trying to locate and lock down the assets of the company.

So there's really nothing here that justifies departing from the normal rule that Mr. Pohl should be recognized as the incumbent. And I really would point to the *Saadia Square* case as similar, where, there, Saadia Square submitted a written

consent purporting to remove the manager and appointing itself as the new manager. And then there was a motion for a status quo order in that matter, and Your Honor found that Saadia should be put in place as the incumbent status quo manager and found that because Saadia had not been given any access to the books and records or accounts of the company, the order says that no later than the next business day, the other side shall furnish and make available to Saadia any and all books and records necessary for the operation of the company.

And that's effectively the same situation that we have here and the same relief that we are seeking here.

Now, there are also a couple of other differences between the two status quo orders that the parties have proposed. One is that defendants are not only asking for Mr. Ravindran to be put back into office, but their form of status quo order really doesn't prohibit him from doing anything. It just says that he must provide plaintiffs with seven days' notice before taking any actions outside the ordinary course. We think that that's an improper approach for a status quo order in these situations.

They also seek to exclude, even from the notice requirement, Mr. Ravindran purporting to disqualify certain lenders under the credit agreement. Now, this is a right that we don't think Mr. Ravindran has, because he's been removed and for other reasons. But it's a term of the credit agreement that would allow the company to disqualify lenders and have them be forced to sell or assign their interest at a discount.

And we think it's really a remarkable request that they want to be able to do this while under a status quo order. The entire purpose of a status quo order is to lock down the parties and the company in the positions where they are when the litigation is filed.

And here, the key stakeholders for what, you know, appears to be an insolvent entity are the lenders. And the notion that the defendants can change the lenders during the pendency of a status quo order, we think, is plainly incorrect.

So those are the primary differences between the two orders that the parties have submitted, and that's why we think there is a very real risk of irreparable harm in this case. And I

think I can just briefly touch on the balance of the hardships and likelihood of success on the merits.

On balance of hardships, given that both sides concede that a -- or both sides have agreed that a status quo order should be entered, the balance of the hardships is really, you know, would one side suffer an undue hardship if the other side's order was entered. And I think that really comes down to, well, who is the best person here to preserve the assets of the company while this matter gets decided.

On the one hand you have Mr. Pohl, who is an independent expert in dealing with distressed entities. He's had a successful career in the restructuring group at Lazard and, before that, as a partner at Skadden Arps. And then, on the other hand, you have Mr. Ravindran, who has admitted to transferring half a billion dollars out of the company, for no discernible reason, while it was in default under its credit agreement. So we think the choice there is clear.

And on the likelihood of success on the merits, this is the least weighty of the elements at this preliminary stage, but plaintiffs have already made a very strong showing. You need look no further

than the forbearance agreement. In that agreement, the defendants acknowledge and agree to the specified defaults. And they further acknowledge and agree that the specified defaults entitle -- that is the word that is used -- "entitle the lenders to accelerate the loan and exercise remedies."

And the notion in the opposition brief that those agreements were signed under economic duress is, we think, fairly absurd, given the size of the company that we're talking about here and given the sophistication and, really, the teams of lawyers that have been working on this for a very long time.

Now, the defendants also make a forum argument which we believe lacks merit. The forum selection clause doesn't say what they say it says. Rather, it expressly recognizes that GLAS, as the agent for the lenders, can sue in any jurisdiction. It's only the defendants that are required to file in New York.

Also, the forum provision doesn't apply to Mr. Pohl, who is not a signatory to the credit agreement. And he has an express statutory right, under Section 225, to pursue this case.

And also, this is a Section 225 case,

in which the Court has express authority to resolve corporate control disputes. And those disputes often involve issues of foreign law that this Court routinely decides. So we don't think there is any basis for their argument on the forum selection clause.

And that's really, you know, all I had with respect to the motion for status quo order. If Your Honor has any questions on that one, before I move to the next motion, I'd be happy to address them.

THE COURT: No. Thank you.

ATTORNEY CZESCHIN: So the second motion is the motion to expedite. Again, this is not opposed by the defendants, but they are asking for a trial in September, and they do that so to allow for motion to dismiss briefing on their forum argument.

We think that's improper. We don't think that motion practice in an expedited 225 case is appropriate. Rather, they can make their argument in their trial brief.

Accordingly, we don't think we need until September, and we would ask for the earliest available date, before the end of July, preferably, because we view this as a very simple case that can be

resolved based on largely undisputed facts and the parties' written agreements.

Unless Your Honor has any questions, I have nothing further.

THE COURT: I do. Do you foresee presenting the issues on a dispositive motion or with a full-blown trial?

ATTORNEY CZESCHIN: Your Honor, I think we were anticipating that we would need to go to trial. But I guess we haven't ruled out the possibility of a motion for summary judgment.

THE COURT: Thank you.

Mr. Cicero.

ATTORNEY CICERO: Thank you, Your Honor. I appreciate your time today, and I just want to give some brief overview. And it's going to be brief, and then I will hit the three issues.

Byju's Alpha's and Tangible Play, as you heard, are part of a group of related entities which together constitute the world's largest education technology business. When I refer to "Byju's," I'll do my best, I'm referring to the collective business entities. Otherwise, I will refer to "Byju's Alpha" or the "company."

Byju's technology and products benefit in excess of 150 million children globally. As reflected on their website, and I think we put a footnote in our brief, you'll see that Byju owns numerous education businesses and products.

For example, just to put it in context, Your Honor, one such business is called Epic. It's used by 10 million U.S. students on a monthly basis. That's the current active user amount.

In addition to its for-profit business, Byju's also provides about 150 million children globally with free access to the platform. That's about 4 times larger than Kahn Academy, which those of us on the phone may be more familiar with. This makes Byju's likely the owner of the largest not-for-profit education platform in the world.

That group of companies has been valued recently at over $22 billion. And the company, as Mr. Czeschin said, is a borrower under a credit agreement in connection with a $1.2 billion term loan.

The company's ultimate parent, Think & Learn, is a private limited company organized under Indian law. Think & Learn is also the parent guarantor under the credit agreement.

It's clear from the terms of the credit agreement that the parties always intended that the consortium of lenders would not be comprised of entities that primarily deal in distressed debt. This is a hot-button issue, I think, in this matter, whether it's here or whether it's in New York.

At the heart of lenders' concerns, and likely the reason for this action, is that the credit agreement expressly provides that the company can designate any entity whose "primary activity is the trading or acquisition of distressed debt," and they could designate such entity as a disqualified lender. If the lender is designated as such, among other things -- without getting too much into the technicalities, Your Honor -- the designated lender could not trade its debt freely.

It turns out that the lender group, we believe, now includes opportunistic traders that trade in distressed debt, which was not, you know, accounted for in the agreement, or at least there was a mechanism to deal with it. Those lenders are seeking to avoid being contractually disqualified and thus have attempted to rely upon purported nonmonetary defaults of the credit agreement to extract a windfall

with the threat of seizing the company and, in the process, eliminating the possibility of disqualification.

We believe that the purported defaults that opposing counsel mentioned -- I think we mentioned three types, and I'm not going to get into, I think, the details on that, Your Honor. It's in the papers on both sides. But they're characterized as nonmonetary defaults. They do not give rise to a level to allow the remedies sought under New York law. They are disproportionate and unconscionable under the case law there. To allow an acceleration and immediately due payment of $1.2 billion based on these types of defaults is, like I said, disproportionate under New York law.

So the whole basis of this action is like a bunch of dominoes, Your Honor. Those dominoes add up to this case. And without those, you couldn't have a Section 225 case.

Simply stated, I think the lenders are not truly interested in running the company, like a typical 225 case, or making the company successful; but rather, they want unrestricted trading of the debt and the ability to make a hefty premium. This doesn't

line up with the purpose of Section 225 that opposing counsel even mentioned, which is to make sure that the company is preserved.

It runs counter to the purpose of a status quo order — to protect the company and its business. The company has made all payments, that's critical, on time and in full to the lenders under the credit agreement.

The timing of the lender action also highlights these true motives that I just mentioned. To facilitate the negotiations between lenders and the company, they executed an NDA in late February of this year. Basically, the terms of the negotiations, the timing, the fact that they were occurring, and many other details were barred from being in the public. Yet approximately one week after that NDA was signed, plaintiff, GLAS, the lenders' appointed administrative agent, sent a default and demanded immediate and full payment from the company and its guarantors.

GLAS claimed that it had authority to issue the written consents and, as you heard, replaced the directors and officers with their appointee, Mr. Pohl. We certainly don't dispute the fact that those written consents were provided. We dispute the

underlying merit of those. And I understand Your Honor's decision in *Saadia*, which I'll get to in a moment, and I think this is distinguishable.

Plaintiffs then waited two months to commence this action, while they continued negotiations with Byju's. As set forth in our papers, lenders have engaged in a campaign to harm the business. Again, they're not interested in running this company.

These are not the actions of a lender looking to remedy purported events of default to get paid, particularly when they are being paid. They certainly are not actions of corporate constituents looking out for the best interests of the company.

Three issues -- one, the composition of the status quo order, the status quo restrictions, and the scheduling -- are really what's in play today.

With respect to the status quo board, Mr. Pohl never was "installed," from a factual point of view, as a director or officer. And he did not gain any access to the company's accounts system or other property.

I think it's important that this is highlighted or amplified by plaintiffs' own proposed

status quo order, at paragraph 4, which seeks a mandatory injunction that defendants immediately provide access to and exclusive control over all the accounts, servers, system, documents, and information of the company.

If Mr. Pohl had been installed, he would have access to that. And I understand that he didn't really have control over that, but I think that's a factor in deciding who's the status quo board. It happens quite often. As we sit here today, as a factual matter, the status quo is Mr. Ravindran. He's a director and officer of the company. He has access to and control over the very items plaintiffs are asking this Court to transfer to Mr. Pohl via the proposed status quo order.

I think this is consistent with Your Honor's decisions in *Saadia* and *Haart* and also consistent with Vice Chancellor Fioravanti's fairly recent decision in *Packsize*. And I'll explain.

While plaintiffs argue that *Saadia* and *Haart* support their position, if you look closely at the facts -- which Your Honor definitely knows more than we do -- when you look back at the complaint in *Saadia*, which it was an action under Section 18-110 of

the LLC Act and concerned an operating agreement that was silent about the removal of the managing member, while it's true that the individual deemed to be the incumbent provided written consents and Your Honor found that person to be on the board, critically, that member actually not only executed written consents, but acted as the managing member and conducted business at the company.

In the complaint, there's an allegation that the new managing member negotiated and closed on a sale of real property for $157 million. It notified the tenant of the sale and instructed the tenant to remit lease payments to the new owner. That is doing much more than simply providing consents. That is actually acting on behalf of the company.

Similarly, in *Haart*, after executing written consents, the director doing so terminated the prior director and officer's access to her company emails and company credit card. Again, that's more than just providing written consent.

And I think *Packsize* supports this, and I don't think it's inconsistent with Your Honor's rulings. I think it's consistent. Vice Chancellor Fioravanti said this issue of determining a status quo

board is really fact intensive. And then he goes on to say that he distinguishes between certain scenarios and then gives these examples that if there's an installment of new management -- for example, changing the lock to the corporate offices and taking control of the facilities and infrastructure -- then that's the status quo, and he would provide status quo on the ground at the time. And we think that is consistent with what we're asking for here.

Also, the *Salamone* case was cited in the other set of briefs. That was actually a case that I handled many years ago. And in that situation, that's another one where written consents were dropped and the board that was purportedly removed remained on the status quo board. That case took probably nine months to come to fruition, and ultimately, one of the claims was dismissed for violating Delaware corporate law.

I'd like to move on to the status quo provisions. We think there's only really two major disputes on that. One, at the outset, I want to say our notice provision about providing seven days' notice -- I mean, that's fairly standard. I think it's been in almost every status quo order that I've

ever been involved with. I don't think we necessarily would have a problem removing a notice provision. It's really about what the restrictions are, and I think the restrictions comport with a typical status quo order.

There are two issues. One goes back to paragraph 4, which we just spoke about. This is mandatory injunctive relief requiring defendants to hand over property and control to Mr. Pohl. That is mooted, obviously, if Mr. Ravindran is left as the status quo.

The only other one, which we believe is the main issue in this case, in this dispute, at least the biggest one before Your Honor, is paragraph 5(j). The remainder of paragraph 5 is fine. Paragraph 5 subsection (j) is a novel request of this Court. It asks that this Court restrict the company and its affiliates, not parties to this case, including Think & Learn, from designating any lender as a disqualified lender under the terms of the credit agreement.

Plaintiffs are asking this Court, on an interim basis, to enjoin a contractual right of parties and nonparties. Plaintiffs have failed to

demonstrate that the company and its affiliates are no longer afforded that right and have not shown any irreparable harm on that point.

And I think opposing counsel have noted that the only entity that could, I guess, invoke that right, for lack of a better term, is the company. And I don't believe that's true.

Section 1.12 of the credit agreement provides that the parent guarantor, which is Think & Learn, can send a notice under this agreement, including, we submit, a notice to disqualify the lender. And it's actually irrevocable under that section. I can read a little bit from it.

It says, "Each Loan Party by its execution of this Agreement irrevocably authorizes the Parent Guarantor" to do a number of things, and authorizes the parent guarantor to give all notices and instructions to execute on its behalf and to make such agreements, "and in each case, each Loan Party shall be bound as [if] that Loan Party itself had given [] notice and instructions[.]"

So if Your Honor were to, on an interim basis, restrict the invocation of a contractual right of a nonparty, I just don't think

that's something the Court can do, particularly at this stage.

Secondly, even if the company were the only party that can invoke that notice, we don't think it's appropriate under status quo protection. This is not a protection of the company at all. It's a protection of the lender. I have never seen this before.

And I think that would be off track, to take away -- to actually take away a contractual right of the company during the status quo period and provide relief to a lender who doesn't have standing and is using Mr. Pohl as its agent to seek -- and GLAS to seek such relief.

Importantly, Byju's believes it's approximately two weeks away from a large equity infusion, as we put down in our papers, that would enable a material pay-down of the term loan. We believe all of this, including getting rid of this DQ provision, is just leverage by the lenders because they need a negotiating tactic for purposes of a new negotiation of the credit agreement.

Any disruption of this new equity infusion would not actually help the company, it would

harm it. And Section 225 was designed to stabilize and add the company.

I want to quickly address -- well, I'll address as quickly as Your Honor wants me to, I can hone into it a little bit more. In the reply brief, plaintiffs make some statements that the company is near insolvency. You heard that today. Those allegations are completely absent from plaintiffs' 54-page complaint, which I also think is fairly novel for a 225 case, laying forth all the background on this unique case.

This is not a fraudulent transfer action, nor could it be. The payments are being made on the loan, and there is no insolvency. And there certainly are no fiduciaries owed to the lenders. The facts will ultimately show that the company is solvent.

As discussed in our papers, Byju's recently raised $250 million. In addition, we can show that, in the last 12 months, it raised 1 billion in equity. One half of that was in the last six months, and 750 million of it is unsecured. And there are other assets owned by Byju's Alpha. I believe it holds the license to use intellectual property in

India, which is very valuable.

Plaintiffs raised this issue of the $500 million transfer as a reason to rule against defendants, and obviously this is -- you know, when first hearing about it, it raises antenna. I understand that, Your Honor.

But Byju's was not restricted from making any transfers, contractually or otherwise, as noted. It wasn't a fraudulent transfer. And if it were, the lenders have recourse. A Section 225 case is not the avenue to adjudicate a fraudulent transfer claim. We believe that's skirting a fulsome plenary case that is meant to be brought in New York here.

Plaintiffs knew from the start that there was no restriction, and that's why they had to rely upon this fraudulent transfer theory. But as discussed, Byju's is solvent. Byju's moved the funds, and Byju's moved the funds to an entity that it controls in the United States. The money is in the United States. I don't know exactly when it was done.

To be candid, these were based on fear of lenders acting expeditiously with these unconscionable tactics to assets without a proper determination and due process under the credit

agreement. Byju's felt the need to protect the cash. Nothing less. There's nothing impermissible about it. As sophisticated lenders, they could have insisted on a restrictive provision. They did not.

I want to touch briefly on -- because it sort of goes hand in hand with scheduling, Your Honor -- on the jurisdictional forum piece.

We -- there's clearly a disconnect between the two sides as to how we read this forum selection provision. I read this, even with the extra language at the end, as requiring exclusive jurisdiction for all parties to bring disputes under the credit agreement and related documents. There is sort of what I'll call at least unusual to me, Your Honor, maybe it's not to New York lawyers, an unusual provision at the end that the other side seizes on.

But read in whole with this agreement and in that particular paragraph, I believe that means that the parties are not restricted to only going to New York to enforce a judgment or other remedy once they already have a judgment in New York on an underlying default or otherwise. And that's how we read it. Obviously, we didn't -- none of us fully briefed that issue for Your Honor. I think it's an

important issue. We would like a modest amount of time to do that.

It's not common, but it's not unheard of, Your Honor. I think in the *Stream TV* case, Vice Chancellor Laster allowed something like that to occur. It was a different issue, but he allowed a motion to dismiss to happen pretty promptly. And that happened late last year, I believe.

And that case, by the way, is on five-month track in a 225 case also involving creditor issues. So we think our ask of an additional month is fair and, with a status quo order in place, would not be harmful to anyone.

We want to deal with this expeditiously; we just need an extra month -- or not need, Your Honor, but we think that's the right move, to have more time so that we can brief this issue for you.

I also want to say, and I'm happy to get into the jurisdictional issue more, but we'd like to have that in briefing before Your Honor.

There's also just simply a practical and personal note. I -- and Your Honor may not care about it, I understand, but I have a family vacation

planned the last week of July spilling into August that was delayed for two years based upon the pandemic. I understand that's not an issue. There's important issues before the Court. I wanted to note it, and that's one of the other reasons. It's not as if my client is begging me to make sure this thing gets delayed. That is not what's happening.

Your Honor, unless you have any other questions, we believe that our status quo order is the appropriate one, and we believe that this case could be fairly presented to the Court by the beginning of September with some modest time available for a motion to dismiss.

THE COURT: Thank you. No questions.

Mr. Czeschin.

ATTORNEY CZESCHIN: Thank you, Your Honor. Very briefly. You know, we obviously disagree with the characterization of the lenders as being some sort of distressed debt vultures and the characterization of, really, the background here.

But on the key issues for today of the status quo order, first of all, it is very normal to have status quo orders apply to the affiliates of the parties. But even beyond that, the provision that

Mr. Cicero referred to about the parent guarantor acting to give notices, that provision says they can act on behalf of the entity, which is Byju's Alpha. It's still Byju's Alpha that is doing the thing, they've just said someone can send the notice on their behalf. So we don't think that -- we don't think that gets them out of, you know, the situation where it's really Byju's Alpha that is doing this disqualification.

And we also don't think it's unusual to have affiliates bound by a status quo order. I think that happens all the time. And beyond that, going back to what I said before, which is this -- the whole point of a status quo order is to lock people down in their current positions.

If they would have taken this action, you know, in the many months since the parties have been talking -- the parties have been talking since the summer of 2022 -- then obviously, it wouldn't be subject to a status quo order. But we are where we are as of today, and we ought to lock everything down, meaning the parties' positions and, again, the assets of the company.

And there was a lot said about, well,

Pohl doesn't even want to run this company. We're talking about Byju's Alpha. We're not talking about the entire Byju's family of companies. We're talking about Byju's Alpha, which was effectively a holding company that was to give comfort to the lenders.

And, you know, it's important to have Mr. Pohl be the director of that company during the status quo period so that he can locate and lock down assets. That's what we're asking to do. There's no other running of the company that's going to happen. And that's what he has tried to do, is lock down assets.

And again referring back to the *Saadia Square* case, I think that case is exactly on point. And just like the proposed status quo order in this case, in that case there was a paragraph that said *Saadia* will be immediately given access to the books and records and the accounts of the company because he had been excluded from that by the other side. And that's the exact same thing that we are seeking here.

And just finally, on the $500 million point, that's a huge issue. I think what we heard from the other side does not give us any comfort that there won't be further transfers of assets if

Mr. Ravindran is in control, given this history of, frankly, what looks like an improper transfer. I don't see anyone on our side, how there could be any trust and confidence that Mr. Ravindran would not take action again that we believe would be clearly inappropriate.

And then, finally, the forum piece, that's something we're happy to brief, but we think it should be briefed in connection with an expedited trial.

THE COURT: Thank you. Can you address why your status quo order precludes Mr. Pohl, in 5(j), from designating anyone as a disqualified lender? Presumably he's a fiduciary for the company.

ATTORNEY CZESCHIN: I'm sorry. So it would prohibit Mr. Pohl from designating anyone as a disqualified lender, you're right. That point -- you know, we don't think Mr. Pohl would do that, but we thought it was appropriate, given that this is an entity -- and again, when I'm talking about insolvency, I'm talking only about Byju's Alpha -- this is an entity that seems to potentially be insolvent. And therefore, the creditors are the residual beneficiaries; and that, you know, who those

creditors are should be locked down. And that applies whether or not Mr. Pohl is in office or Mr. Ravindran is in office, in our view.

ATTORNEY CICERO: Your Honor, this is Joe Cicero. May I briefly address that one question that you asked Mr. Czeschin?

THE COURT: In a moment. I'll give you the opportunity. I'm considering what Mr. Czeschin said.

ATTORNEY CICERO: Thanks.

THE COURT: I suppose I don't quite understand, unless we know that we're in the zone of insolvency, why the stratification of lenders is something, through a contractual arm's length arrangement, that should be, as you put it, "locked down" under a 225 status quo order. Until we get to a place where there's fiduciary duties owed to those creditors, I don't think of that as something sort of internal to the company that we typically, as you say, lock down in connection with determining who's at the helm of the company.

ATTORNEY CZESCHIN: Yeah. I think, given the fact that we don't know a lot about the insolvency or the solvency of this entity -- we

thought that there certainly is the prospect that this is an insolvent entity and that the lenders are the residual beneficiaries, so it makes sense to lock them down.

Again, I suspect that if Mr. Pohl is the director, that he would not be doing that. And what we believe, the -- the idea for a holding company would be just to hold the assets, find the assets, and make sure everything is locked down until this case gets decided. So we were willing to live with that restriction for, you know, Mr. Pohl or Mr. Ravindran, whoever is the status quo director.

I understand Your Honor's concern that it's a little unusual to address a lender issue in a status quo order, but given sort of the unique facts here and the fact that this company, you know, arguably is in insolvency, that it is appropriate.

THE COURT: Given, as you said, that we don't know yet whether the company is actually in the zone of insolvency; and given, if I were to enter your status quo order, obviously Mr. Pohl is your preferred fiduciary for Byju's Alpha, how would you respond if we tweaked 5(j) to say that if Mr. Pohl thought that a lender needed to be designated as a

disqualified lender, that he would give five days' notice to the parties, instead of just precluding him from doing so? And then we might be able to address that issue with more information and a little bit more clarity.

ATTORNEY CZESCHIN: We wouldn't have any objection to that at all, Your Honor.

THE COURT: Okay. Thank you.

Mr. Cicero.

ATTORNEY CICERO: Thank you, Your Honor. I appreciate you indulging me.

On that last point, of course they don't have an issue with that, because Mr. Pohl is the appointee of the lenders and he would never, ever disqualify them. So it doesn't really matter, you know, if that provision is there or not. If Mr. Pohl is in power, then he's not going to disqualify a lender, whether or not it's beneficial to the company, not to the lenders.

And I agree with Your Honor about -- or at least what I believe Your Honor is saying about insolvency. I actually think it's much worse than that. Under the *Gheewala* decision, I don't think it's the zone of insolvency. You have to be insolvent in

fact. So there's been no showing of that, and this would be way outside the norm and we think it's inappropriate.

Again, we think Mr. Pohl obviously isn't going to disqualify a lender in any event, and this is all about leverage. And the status quo order should not be protecting the lenders. It should be protecting the company. And, you know, basically that's a contractual right, as I noted, and I think that would be unusual.

One last thing. I think it's unfair to say that, under our status quo order, there would be transfers. Our status quo order, unless I'm missing something, Your Honor, completely excludes transfers of any kind, which is the norm under a status quo order. It just has the notice provision, which is pretty common.

And, again, I think we'd be okay taking that out. We don't -- so everyone's protected, whether or not -- well, they're protected whether our guy's in or not. So we just think this DQ provision should not be in any order, and we think Mr. Ravindran is the proper status quo director.

I appreciate your indulgence again.

Thank you.

THE COURT: Thank you.

Thank you all very much for all the hard work that went into the briefing and the presentation.

There's a lot of folks on the line. I got a lot of paper, and the parties have explained a lot of background and made a lot of argument.

If everyone could mute your lines, please, so there's no interruption.

Despite the interest, paper, and work that's gone into these motions, this is, at the end of the day, a motion to expedite and a motion for a status quo order filed with a 225. To my mind, those forms of relief are granted as a matter of course in a 225. Further, the law and my position on keeping the incumbent, even a disputed incumbent, in the board seats under the status quo order is clear.

I'll start with the status quo order. The terms mostly, with one exception, look pretty routine. Under the principles that I enumerated in *Haart* and *Saadia* that the parties are both familiar with, Mr. Pohl is the incumbent and his service as Byju's Alpha's fiduciary is the status quo. Changing

that would be a mandatory injunction that I'm not permitted to do on this record and at this stage.

The defendants' argument that Mr. Pohl hasn't been installed or hasn't acted as a director or officer, and that Mr. Ravindran still has unique access to the company's books and records, just reflects why we're all on the phone today — that the efficacy of the documents installing Pohl as a director and officer are disputed. Under the principles and the law that I've explained in *Haart* and *Saadia*, Mr. Pohl is the incumbent and he'll remain in his position pending the adjudication of this dispute.

I think the other terms in the status quo order are fairly routine and they're appropriate.

As to 5(j), I am hesitant to alter contractual rights, especially given that this is such a hot-button issue between the parties, yet I don't actually have a lot of insight into that issue from the parties.

I think that there's good reason to require five days' notice if Mr. Pohl were to designate a disqualified lender, based solely on the fact that this is such a hot-button issue between the

parties. So I would ask that that change be made in a proposed order. I'll let the parties work out the language.

Despite agreeing that a status quo order is necessary, the defendants do make some arguments against the elements of entering that relief and, in particular, the reasonable likelihood of success. To me, these concerns actually come home to roost in considering whether the case schedule should build in time for the defendants to assert those issues on a motion to dismiss.

Those issues include whether a forum selection clause in the underlying loan agreements can divest this Court of its *in rem* statutory jurisdiction and whether it's fairly read to bind GLAS; and the application of what I think is fairly nuanced New York law governing acceleration of forfeiture.

I don't think that there's much to be gained from carving those off and taking them up independently in the schedule. I think this company -- which is, after all, my paramount concern in a 225 -- is best served by getting this matter tried as quickly as possible, and those issues can be, of course, fully briefed and presented to the Court in

connection with trial.

The irreparable harm and balance of the equities components of entering a status quo order are pretty routine in a 225. We've got a Delaware entity in flux.

As to the balance of the equities, I think the parties have taken kind of an odd tack of trying to convince me of who is a better fiduciary for the company. I don't think the question at this moment is one of comparing the morals and qualifications of the erstwhile leaders. To me, I'm supposed to be thinking about keeping the company on an even keel, with as few transitions as possible and without the ability to make significant changes to the company until we resolve who is properly in the board seats.

So the status quo order will be entered with the modification that I've requested as to Section 5(j).

Expedition. As I hinted, the most equitable schedule will be to take this matter to trial within 90 days and the defendants' arguments on the merits can be presented at that time.

Mr. Cicero, I apologize for that. I

actually do care very much about your vacation. Summer is a tough time to be a Chancery attorney when these types of things pop up. But I can't, unfortunately, in this instance push back the resolution of a 225 to accommodate that vacation. I am hopeful you'll be able to work something out with your colleagues and your co-counsel and your client.

That said, my July is pretty full with other Chancery lawyers having terrible summers. I can offer you August 2nd or 3rd or 4th, is the closest that I've got. Hopefully, Mr. Cicero, that works out. And if it doesn't, hopefully you can find a way to still enjoy your vacation and make sure your clients' needs are met.

Any questions? Anything unclear, starting with Mr. Cicero?

ATTORNEY CICERO: The only question -- and thank you. I appreciate the comments, Your Honor. I think those are the last few days of my vacation. I'll try to figure it out and we'll make it work.

The only question I have is with respect to your modification of 5(j) with the notice.

Are you still requiring -- so I think, broadly, it states that no affiliates, no -- I just

don't -- is there an ability to have a carve-out where -- the way I look at it is the parent guarantor has a right, under the section that I noted -- I think Mr. Czeschin disputed that, but I think there's a way to deal with that. If we were to -- if the parent guarantor were to disqualify a lender, there are remedies for that that could be fought about in the normal course.

Are you suggesting -- are you ruling, pardon me, that the language should stay that it binds affiliates and parents?

THE COURT: What I am intending is that if Mr. Pohl, for Byju's Alpha, intends to designate a disqualified lender, that he must give the parties to this action five days' notice before it becomes effective, so that if there's a dispute about his authority to do so, you can come to the Court and we can get it sorted out.

ATTORNEY CICERO: Okay. But would it also -- and I just want to make sure I get this right. I've gotten off the phone before and we've had to put together a status quo order and I've missed things.

So it would preclude Think & Learn, for example, from making its own independent notice of

disqualified lender? Is that what you're envisioning? I think -- that was my concern.

THE COURT: And I'll hear from Mr. Czeschin on this. I don't read 5(j) to say that. I read it to identify Think & Learn as a signatory to certain credit and guarantee agreements, and I don't think that I have jurisdiction, in a 225, to tell Think & Learn to do or not do anything.

ATTORNEY CICERO: Okay. I --

THE COURT: Maybe I'm misunderstanding what Mr. Czeschin was intending.

ATTORNEY CZESCHIN: Well, if I may, Your Honor.

THE COURT: Yes.

ATTORNEY CZESCHIN: I think there are two points. I think that, at least in my experience, it has been common to have status quo orders apply to affiliates. And so, you know, frankly, we think this should apply to affiliates.

But even putting that issue aside on this disqualification point, the way it works under the agreement, my understanding is Think & Learn would be purporting to submit something on behalf of Byju's Alpha, and it shouldn't be able to do that at this

point because, you know, it's no longer under Think & Learn's control. It's under Mr. Pohl's control. So they should not be able to submit any form of notice on behalf of Byju's Alpha or in the shoes of Byju's Alpha.

THE COURT: Mr. Cicero.

ATTORNEY CICERO: We read it differently, Your Honor. And I didn't -- and part of this just needs to be -- we think needs to be heard in New York.

But we read that differently. We believe that the parent guarantor, who has guaranteed a lot of money here that has been borrowed, can provide -- it is irrevocably authorized to give these notices.

And I just wanted to make it clear, because I don't want to be in a situation where, if parent guarantor determines -- and I'm not saying they will -- determines that there needs to be a disqualification of a lender and sends it out in its own regard, that there's going to be a contempt motion coming my way. So I just want to be crystal clear about it.

THE COURT: I understand. One of my

goals when I enter these is, certainly, for the parties to know exactly what they can and cannot do in view of potential contempt. And I don't think that this issue has been fairly presented for me to go out on that limb and make a determination as I sit here.

What I would ask you to do is confer. Maybe the stars will align and you'll come up with some language that works for everybody. I know there's good counsel on this call that can maybe make that happen.

If you can't, please just send me a letter brief and your proposed status quo order so that I can make sure that I understand all the nuances of this issue. It's obviously very important to you all.

ATTORNEY CICERO: Thank you.

ATTORNEY CZESCHIN: Thank you, Your Honor.

THE COURT: Thank you.

Any other questions?

ATTORNEY CZESCHIN: I have no questions, Your Honor.

THE COURT: All right. Thank you very much. I will ask Ms. Simeone to reach out to schedule

trial, and I will be looking for hopefully just one proposed order, but if not, two.

Thank you.

(Proceedings concluded at 4:21 p.m.)

- - -

CERTIFICATE

I, JULIANNE LaBADIA, Official Court Reporter for the Court of Chancery of the State of Delaware, Registered Diplomate Reporter, Certified Realtime Reporter, and Delaware Notary Public, do hereby certify the foregoing pages numbered 3 through 54, contain a true and correct transcription of the proceedings as stenographically reported by me at the hearing before the Vice Chancellor of the State of Delaware, on the date therein indicated.

IN WITNESS WHEREOF, I have hereunto set my hand at Wilmington this 22nd day of May, 2023.

/s/ Julianne LaBadia

Julianne LaBadia
Official Court Reporter
Registered Diplomate Reporter
Certified Realtime Reporter
Delaware Notary Public

EXHIBIT 29

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	. Chapter 11
	. Case No. 24-10140 (JTD)
BYJU'S ALPHA, INC.,	.
	.
	. Courtroom No. 5
	. 824 North King Street
	. Wilmington, Delaware 19801
Debtor.	.
	. Monday, February 5, 2024
. . . .	. 3:00 p.m.

TRANSCRIPT OF FIRST DAY HEARING
BEFORE THE HONORABLE JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

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(Proceedings commence at 3:01 p.m.)

THE COURT: Good afternoon. This is Judge Dorsey. We are on the record in BYJU's Alpha, Inc., Case No. 24-10140, first day hearing.

I will go ahead and turn it over to debtor's counsel.

MR. BRADY: Good afternoon, Judge Dorsey. Robert Brady of Young Conaway, proposed counsel for the debtor.

Can you hear me okay?

THE COURT: I can. Thank you.

MR. BRADY: First, we would like to thank the Court, as always, for scheduling us today on our request for initial relief. On the Zoom with me I am joined by my partner, Ken Enos, and then Susheel Kirpalani, Ben Finestone, and Daniel Holzman from Quinn Emanuel. Also on the Zoom is the debtor's sole director and officer, Timothy Pohl. He was the declarant for the first day declaration.

Your Honor, we have been working with Ms. Casey from the Office of the United States Trustee and we, as always, thank her for her work with us on the forms of order to the two first day motions. We are pleased to report that we have resolved all of her issues and those resolutions are reflected in the revised forms of order that were filed this morning.

So, with that, Your Honor, if acceptable to the

Court, I will turn the virtual lectern over to Mr. Finestone who will make the debtor's presentation to the Court, explaining how the debtor got here and what we hope to accomplish. I think after that we will hear from counsel for the agent for the lenders and then I expect others will want to address the Court and then after that Mr. Enos will present the two first day motions that are on the agenda.

THE COURT: Thank you. Mr. Finestone.

MR. FINESTONE: Thank you, Your Honor. Its Ben Finestone from Quinn Emanuel, proposed counsel to the debtor and debtor-in-possession.

Your Honor, can I ask that permission be granted to my colleague, Ms. Botvinnik, Christine Botvinnik, so that she can share a relatively brief presentation that we have prepared for the Court.

THE COURT: Can you raise your hand? It is easier to find you on the screen so we can give you permission. There she is, she turned her camera on.

MR. FINESTONE: The virtual hand raise, Your Honor.

THE COURT: There we go.

UNIDENTIFIED SPEAKER: Your Honor, I believe it states that the host disabled screen share.

THE COURT: Yeah, that is what we are trying to figure out here. You should have it now.

MR. FINESTONE: Thank you, Christine.

So, Your Honor, this is a -- there's 22 pages to this PowerPoint, but when you take out the table of contents and other dividers like that it's just a 15-page presentation.

Christine, if its -- can you go to page -- can you flip the slide to page 2? Thank you.

Your Honor, really what I want to do here is just go through the prepetition background. Its not a protracted prepetition background, but it is ostensibly complex. I think it will help orient the Court. We will then stop as of the petition date, take a free snapshot of what the debtor is -- of what its capital structure looks like on the petition date, what assets it has or doesn't has as of the petition date and then what I would like to do is just describe for you, Your Honor, what this debtor-in-possession views as its outlook for this Chapter 11 case.

Christine, can you flip to the next page, please. And then the next page. Thank you.

So, Your Honor, BYJU's Alpha, which I will refer to as the debtor today so as to not confuse it with all of the other BYJU's entities, it's a Delaware corporation. It is a single purpose financing vehicle and it was established by its ultimate former parent company, Think & Learn. Think & Learn is a global EdTech company that was founded back in

2011, Your Honor, by an individual named Byju Ravindran.

Our debtor, BYJU's Alpha, was established much later. It was established in 2021 for one purpose. It was established for this Think & Learn conglomerate to access the US capital markets; specifically, as I said, through a Delaware corporation.

Initially, Your Honor, our debtor had one director and one officer and his name was Riju Ravindran. That is the brother of the founder of the overall enterprise, Your Honor. As I said, this debtor was established to access the Western capital markets and that is exactly what it did.

On November 24th, 2021, after being established, say two months earlier, Your Honor, it borrowed $1.2 billion by issuing some syndicated term loans under a credit agreement and in that credit agreement, and that is GLAS that Your Honor has probably seen in other Chapter 11 cases, serves as administrative agent for what the debtor believes to be more then 100 different lenders holding those term loans, Your Honor.

Within months of the issuance of those term loans, Your Honor, there were defaults. And ultimately, I am going to jump ahead, but just to sort of give Your Honor some sense of who controls this debtor right now ultimately those defaults, after a protracted period of workout negotiations, resulted in these lenders enforcing rights and remedies and

replacing BYJU's brother, Riju, with Mr. Tim Pohl. And as we stand here today, Your Honor, and since March 3rd, 2023 this debtor still only has one employee, still only has one officer, and still only has one director, but its Tim Pohl since March 3rd, 2023, Your Honor.

Christine, can you turn the page.

(Indiscernible) parties that we are aware of now, Your Honor. I addressed the debtor, BYJU's Alpha; that is the Delaware corporation that issued the $1.2 billion in term loans. I addressed Mr. Pohl, he is our sole director and officer. He has been there since March of 2023. I addressed GLAS, they are the administrative agent for all the lenders. They are represented by Kirkland & Ellis, Pachulski Stang, and the Reed Smith Law Firm, Your Honor.

Think & Learn that is the overall enterprise, former affiliates of the debtor, Your Honor. Maybe today I will refer to them as the BYJU's enterprise, but I am going to try really hard to refer to them as Think & Learn just to keep that label distinct from the debtors, Your Honor, so as not to confuse things. In various prepetition litigation, Your Honor, they have been represented by Kasowitz Benson.

Next are the two brothers that I called out before. Byju is the individual who founded this entire enterprise back in 2011 and here is his brother again, who Mr. Pohl replaced back in March 2023.

Camshaft Capital Fund, Your Honor, I am going to hold the Court in a little bit of suspense for that fund. I can tell you this, that nobody thought that Camshaft Capital Fund should be a key party in interest in this bankruptcy case when these term loans were issued back in 2021, Your Honor, but they are now the party in interest in this bankruptcy case. They are a named defendant in the adversary proceeding we commenced contemporaneously with the filing of the voluntary petitions.

Christine, can you flip the page please.

So, Your Honor, this page is called "Events of Default." Your Honor may be thinking, Mr. Finestone, why are you talking about events of default under a credit agreement, didn't the debtor just file a voluntary petition on Friday and doesn't bankruptcy, as a legal matter, accelerate all of debt irrespective of whether or not there have been prior events of default or not. Its not usually something I, as a bankruptcy Judge, have to really get into and that is a good question in most cases, Your Honor.

The reason why we are going to briefly address the events of default here, and as early as slide six in this presentation, Your Honor, there are parties out there, there's already been an objection filed on Your Honor's docket, that is going to seek to undo the corporate governance of this debtor-in-possession. And to be clear,

they want to undo the corporate governance not to step in and seek to avoid and recover fraudulent transfers; they want to undo the corporate governance because they no longer control this debtor and they don't want the fraudulent transfer claim to be pursued.

The way, Your Honor, that their challenging Mr. Pohl's role as corporate governor and the way that they have already threatened to challenge the pendency of this Chapter 11 case is to attack the events of default. Your Honor, I am not going to take the Court's time and go into the merits or the specifics of the events of default unless the Court has questions, but I want to point out three objective facts about them, Your Honor, which really, I think, lead to the inescapable conclusion that these defaults are as solid as they can get.

Your Honor, point number one, and these the bottom three bullet points on this slide, the BYJU enterprise, including this debtor under prior management, acknowledged and agreed to these defaults over and over again. It called these defaults specified defaults. They acknowledged and agreed that they exist and they acknowledged and agreed that the lenders were entitled to enforce rights and remedies. So, that is objective fact number one which is that the borrower parties, as parties often do in forbearance and amendment negotiations, acknowledge the events of default.

If that weren't enough, Your Honor, I am going to fast-forward a little bit and I will fill in the interim, but if that weren't enough Vice Chancellor Zurn, at the Delaware Court of Chancery, held a trial in August of 2023 and Her Honor issued a ruling in November of 2023 that had, at least, two holdings in it, Your Honor:

One, Mr. Pohl was validly appointed as replacement sole director and officer. Two, at least one of these four specified defaults, the failure of the borrower entities to produce a guarantee it promised it would produce, was a legitimate and valid event of default.

To be clear, Vice Chancellor Zurn didn't reach the other three defaults just because it was unnecessary. So, we got the borrower's agreement, we have got Vice Chancellor Zurn's ruling, which is unstayed, Your Honor, they didn't seek to stay it. I only say that, Your Honor, so that Your Honor is comfortable that it is the law of the land, when Mr. Pohl filed these voluntary petitions on Friday, that pursuant to Vice Chancellor Zurn's ruling that he is validly in place as the legitimate independent corporate governor of this debtor-in-possession. There is nothing that can be questioned about the corporate authority that was exercised in filing these petitions, Your Honor.

Now I promised the Court a third objective fact and its not on this slide, but I do want to emphasize it.

Your Honor, for the last 10 to 12 months, prior to the filing of this petition, this debtor hasn't made any interest payments. So, even if all of these specified defaults that have been agreed to and that Vice Chancellor Zurn found at least one of which was legitimate, even if they didn't exist or even if hypothetically Vice Chancellor Zurn made a bad legal error, something that we can't wrap our heads around, there's been a series of payment defaults because no interest payments were made.

I want to make one editorial comment about that. The reason interest payments weren't made, it's not because Mr. Pohl was installed and Mr. Pohl was installed and said I've got money and I don't want to make these interest payments because I want to end up before Judge Dorsey 10 to 12 months from now; no, Mr. Pohl didn't have the money, Your Honor, because all of the loan proceeds that everybody expected to be there when Mr. Pohl was appointed have been fraudulently transferred away. They didn't have the cash.

So, Mr. Pohl wasn't able to make interest payments and more importantly, Your Honor, the people that are going to challenge this bankruptcy case they are the ones that they have been saying in the public that are actually in possession and control of this cash and they had the ability to make the interest payments if they wanted to make them. If they really believed in the merits of their appeal they

could have continued to service the debt because hypothetically if they get a reversal they don't want this company to be in a payment default, but they didn't make those payments, Your Honor, and that is really the third objective fact without getting into any of the events of default. That is why the corporate authority is firm and why the appeal that they want to press, notwithstanding the automatic stay, is really moot as a practical matter because if the specified defaults were mistaken the payment defaults cannot be cured.

Christine, can you please flip to the next page.

So, Your Honor, I reference the fact that before Mr. Pohl was appointed the lenders, we understand, were involved in protracted workout negotiations. Those failed. Mr. Pohl was appointed March 2023. Prior to the time that Mr. Pohl was appointed the lenders were receiving piecemeal financial reporting that indicated a significant amount of money on the balance sheet.

And when I say balance sheet the reporting didn't just suggest or report that this significant amount of money was on a consolidated balance sheet, no. These borrowers were representing that it was cash held and owned by this debtor, BYJU's Alpha, in cash and bank which, obviously, to anyone who is skilled at reading financial statements, understands to mean BYJU's Alpha had a significant amount of money.

Your Honor, I have that number in blank brackets because those reporting -- those reports were given to the lenders and even to Mr. Pohl on March 15th after he was appointed pursuant to confidentiality agreements, but I am comfortable just saying to Your Honor that it was a significant amount of cash and when we subsequently talked about what this debtor-in-possession has already comfortably alleged to be a fraudulent transfer, its about the same number, Your Honor.

So, Mr. Pohl gets appointed, he is immediately looking for the cash that he is even being told is there. He can't find it. What are the first things that Mr. Pohl does in furtherance of his fiduciary duty is he sends letters out to all of the financial institutions in the country. GLAS, for its part, is doing the same thing. They are the derivative pecuniary stakeholders after all. None of those financial institutions come back to us and say that money you are looking for we have it in an account in your name. Debtor's former management, who was threatening to challenge this bankruptcy, they are refusing to recognize the exercise of remedies in Mr. Pohl's status as corporate governor, Your Honor.

So, Mr. Pohl does something that Delaware makes available for situations just like this. He commences a Section 225 action under general Delaware corporate law and

that is the action that was pending before Judge Morgan Zurn that I referenced earlier. He commenced that action on May 3rd, Your Honor, and as I said, to jump to the punchline which I have already unveiled, on November 2nd, 2023, after a trial in August, Judge Zurn ruled in Mr. Pohl's favor.

Christine, can you flip to the next page.

March 3rd -- May 3rd, sorry, Your Honor, was when the 225 action was commenced. May 8th, five days later, perhaps in response to the commencement of the 225 action, Mr. Byju Ravindran, the overall founder of the overall enterprise, was on the phone with a representative for the lenders and he said the money is some place that the lenders will never find it.

Now, its an alarming statement in and of itself, but if I just stop there and I don't underscore the fact that its alarming in and of itself, its completely inconsistent with the financial reporting that said this amount of money was in cash and bank attributable to the debtor's soon to be debtor-in-possession.

Christine, can you flip the page.

A couple of weeks later Judge Zurn enters Her Honor's first order. Its an interim order, Your Honor, because the trial doesn't take place until August. Judge Zurn looks at the papers, sort of almost like a TRO or a preliminary injunction type procedure, and says I am going to

enter this interim order. And until we get to trial everybody needs to treat Mr. Pohl as having -- everybody has to afford Mr. Pohl access to and exclusive control over the accounts…etc., of this debtor, Your Honor. He needs to be able to have access to everything that is necessary for him to perform his role as a sole director and officer of the company. If we have our trial in August and we find out that Mr. Pohl was invalidly appointed we can undo that, but for now he has got to have access.

So, Mr. Pohl, with the benefit of that interim order, we again approached Mr. Ravindran, who was the former director and officer, and we say, please, give us information on the bank accounts. He provides us three bank account numbers, Your Honor. We look at them, we find about half a million dollars. That is nothing in relation to the half a billion dollars that we expected to be there. And those were the only three bank accounts that were provided to us.

Mr. Pohl, diligent corporate governor, continues to do his own investigation, with the help of counsel, to uncover an investment account which was not one of the accounts that Mr. Ravindran provided to us. Once we found the existence of this investment account we could start to trace through the cash transfers that this debtor had engaged in and we found something very alarming, Your Honor; a series of transfers, which I will show in the next slide, its not

that many, that quickly add up to $533 million to a hedge fund called Camshaft Capital Management.

Christine, can you flip.

This is a boring slide, Your Honor, but this is the series of transfers. I point it out to Your Honor just to show we are really talking about three lumpsum transfers in April and July of 2022. This was after, Your Honor, that the factual underpinnings of, at least, two of those events of default had occurred.

Christine, can you flip to the next page.

So, Your Honor, I am not going to attack Camshaft. I will save that for the litigation. Let me just say, Your Honor, that Camshaft is not Vanguard, Camshaft is not BlackRock, they are not Fidelity Investments. Camshaft, we find out, is a Miami based hedge fund run by William Morgan who is a gentleman in his young 20's without any reported formal training.

In the initial report to the SEC the headquarters, the location of business of Camshaft, is identified at a place where there has been an IHOP for as long as we can see. And just to clarify -- it was funny, Your Honor, I had an associate drafting this presentation for me and I kept seeing IHOP and the I was lowercase, iHOP, and the hop was capital. This is not to be confused with iPad or iPhone. This is, in fact, an International House of Pancakes, Your Honor.

Christine, can you flip to the next page.

Your Honor, Camshaft, this is the entity that the debtor transferred more then half a billion dollars too. We did more research upon them. We find out that their overall assets under management is being reported as $595 million. So, it doesn't take anyone to be much of a mathematician to know that $533 million is a significant, significant percentage of the overall assets under management. That caused the lenders and Mr. Pohl more concern that this money is not in a comfortable place.

We also studied that Camshaft's strategies, Your Honor, are high risk trading strategies: leveraging, short selling, liquid securities, derivatives. I will put it this way, when Mr. Brady started and he thanked the U.S. Trustee for his comments, and I will also just second that, thank you to the U.S. Trustee for working with us in preparing for this bankruptcy filing, Camshaft is, sort of, the opposite of a Section 345 qualified place for the debtor's cash to be. This is not a comfortable place for $533 million to be, but it gets worse, Your Honor.

Christine, can you flip to the next page.

The reason it gets worse, Your Honor, is that when we first found out that the money was transferred to Camshaft at least as was being argued to us by the BYJU's management, former management, there was a matching asset. At least they

could say, well, we took the company’s $533 million, but you have got a limited partnership in this Camshaft and maybe Camshaft is going to do amazing things with your money. That wasn’t good enough for our lenders. They commenced the state law fraudulent transfer action in Florida State Court, Your Honor. They sought to avoid those transfers under Florida’s enactment of the Uniform Fraudulent Transfer Act.

In the course of that litigation, Your Honor, Camshaft responds and says lenders this action is invalid because it’s not your money, its BYJU’s Alpha money. So, you need to bring in BYJU’s Alpha as a necessary party to this litigation. Okay. Well that is slightly comforting that, at least, Camshaft is acknowledging that its our money, the debtor’s money, Your Honor.

Then there is a turnaround, there is a violent turnaround and all of a sudden on December 4th, after Camshaft telling that Florida State Court that it was the debtor’s money, Camshaft responded to our request for books and records and says, no, you are not going to get any books and records because you have no limited partnership interest and then they commenced the litigation on the same date making a declaratory judgment that the debtor has no interest in Camshaft.

So, just to stop right there, I said it gets worse. It’s one thing to take our cash and invest it in a

place that, in our mind, no reasonable businessman would invest in, but it's another thing to do that and then transfer for no consideration the limited partnership interest in Camshaft. The debtor is left with nothing, Your Honor, and we have been told the opposite of what has been true.

Christine, can you flip the page please.

This is just, Your Honor, the different allegations that Camshaft made in the Florida -- in the two pieces of Florida litigation, one saying its BYJU's Alpha's money, our debtor's money, and then, two, saying, no, the debtor doesn't even have a limited partnership interest in Camshaft. You don't even have a right to books and records.

Christine, can you flip to the next page. Okay. Stop there.

It's the cleavage date, it's the petition date. Your Honor, we filed this bankruptcy case because those funds have to be avoided and recovered for the benefit of RSP, derivatively for the benefit of our creditors.

Can we go to the next page, Christine.

I referenced, Your Honor, a series of a prepetition litigation and I just want to call them all out for purposes of orientation. First action is the fraudulent transfer action that I referenced. GLAS commenced it on behalf of the lenders under state law fraudulent transfer,

Camshaft and affiliates on the defendants. This one, of course, is stayed upon our filing of the bankruptcy petition because it is now our charge to pursue the avoidance and recovery of fraudulent transfers under Chapter V. That action was stayed pursuant to 362, Your Honor.

Second action is Camshaft v. BYJU's. That is that action that really shook everybody when Camshaft filed another action in Florida State Court saying you, debtor, don't even have a limited partnership interest in Camshaft. That action is also stayed, Your Honor, because it is an action against the debtor under 362. It also probably, as an alternative, should be stayed because its seeking a ruling as to what is property of this debtor's estate and in our view that falls within Your Honor's exclusive jurisdiction.

The third action, Your Honor, is the appeal of the Delaware Chancery Court Section 225 action. That is pending before the Delaware Supreme Court. That is stayed pursuant to the automatic stay because its an action against the debtor-in-possession, Your Honor. And we view it as not only meritless, but practically moot for the reason I said earlier, Your Honor, because there has been a series of payment defaults following the specified defaults which are the subject of this appeal.

The last action -- I know I am dropping a lot on Your Honor, I just want to be complete. The last action is an

action that the non-debtor BYJU's commenced against GLAS and some other lenders during the pendency of the Delaware Chancery Court action and they commenced this action in New York State Court really seeking a collateral ruling, Your Honor. The Delaware Chancery Court was pending, they commenced this action in New York State Court seeking a ruling that the events of default were illegitimate and invalid.

The action hasn't really proceeded far, it's not against the debtor. So, it is not of the view that Section 362 automatically stays this action, but it may threaten our attempts to prosecute a plan, Your Honor, because it also seeks to challenge the legitimacy and disqualify as many of our lenders who we would need to negotiate with. That is just a placeholder.

Christine, can you flip the page.

So, Your Honor, its actually a pretty simple capital structure. The term loan that I referenced is about $1.2 billion. I am rounding up. There was a quarter -- there was about $267 million of accrued interest as of the petition date. It also includes a premium, Your Honor. And there was also a bridge loan that these lenders provided to us prior to the bankruptcy case so that we could prepare for the bankruptcy case and so that we could be prepared to fund this bankruptcy case. It was the product of the negotiations

that we had with DIP financing.

Not the full $5 million has been funded, but those are the same lenders, Your Honor, that were holders of the term loans. I said before, Your Honor, we believe that there is more then 100 distinct lenders of record in this facility. We have also said, Your Honor, and we are not trying to hide this fact, we don’t know whether we have other creditors other then these 100 term lenders. Certainly possible.

Mr. Pohl has been frustrated in his attempts to learn everything he can and to access all of the books and records of this debtor. There may be other creditors. It’s another benefit of this bankruptcy case that the creditors will be on notice and they can come into this collective action and assert claims that they exist, Your Honor.

Christine, can you flip to the next page.

Mr. Pohl is the sole director, officer, and employee. I referenced the bridge account and I also referenced, Your Honor, Mr. Enos or Mr. Brady will prosecute this, we have a cash collateral motion on file. The motion, itself, is also a motion for DIP financing, but we are not seeking approval to enter into or draw any DIP financing on an interim or on an emergency basis. We will only be asking Your Honor to schedule a final hearing for that.

Christine, can you flip. One more time.

Last slide, Your Honor. So, Chapter 11, Your

Honor, it's got a lot of benefits for us. We spent a long time discussing this, Mr. Pohl with counsel. We spent a long time discussing this with our lenders as well, Your Honor.

First and foremost, the pursuit of the fraudulent transfer action. We're an SVB. Those $533 million of loan proceeds should not have been transferred out after these events of default existed and it certainly should not have been transferred out for no consideration and it certainly should not have been transferred out to a hedge fund that resides in IHOP, Your Honor. That is business number one and that is why we made sure to commence that action contemporaneously with this petition.

We believe Rule 2004 will be helpful to us, Your Honor. Based upon all the inconsistent things that have been said to us about where that cash is we have been told Camshaft has it. We have been told we are the beneficiary of it. We have been told other affiliates have it. We even said it exists. We have told its in some offshore subsidiary. We don't know where it is. We believe, and I think all of us would bet a lot of our personal funds, there are subsequent transferees of this cash. That is one benefit of Rule 2004.

More importantly, we have got co-obligors. We have got former brothers and former sisters who also chose or who don't have the ability to have made a payment on any of

the debt that we are on the hook for and we need to figure this all out. So, that is, sort of, Chapter 11 initiative number two, Your Honor.

Three and four I will just merge together as we uncover facts, based upon what we think to be rather alarming backdrop, we may have other actions to bring, Your Honor.

Finally, prosecution and confirmation of a Chapter 11 plan. We want to get proceeds back. We want to distribute them to creditors. Chapter 11, as Your Honor knows, can be a good vehicle for that. That is our view, Your Honor.

I will stop there, of course, to answer any questions the Court has. But in terms of the agenda, Your Honor, we have got a very modest cash collateral motion to prosecute. I think we are seeking $75,000 of authority to get us to the final hearing. Then we have got a similarly modest cash management motion to prosecute in which we are really seeking the authority to open up new accounts for two reasons. That bridge loan I referenced the funds are still in an account.

At GLAS we would like to bring them into a new account where Mr. Pohl can have complete control over them, but also, Your Honor, there’s three other accounts that have something nominal in there like $20,000. And we have great concerns that the debtor’s former management, the BYJU’s

enterprise, still has ways to access and actually make withdrawals from those accounts. So, we have moved the cash into a place that is safe. I think we have satisfied the U.S. Trustees concerns in that regard.

From that respect, Your Honor, it’s a relatively modest agenda. The Chapter 11 case at a higher level, as you can tell, and thank you for letting me give this presentation, it raises a lot of serious issues, and we, on behalf of our lenders, want to work with haste to seek to undo some of the damage that has been done to this debtor, Your Honor.

THE COURT: Okay. Thank you.

Only one question at this point. I was looking at the docket before we started today. I saw that there was a notice filed that an adversary proceeding was filed under seal, but I didn't see the sealed adversary proceeding.

Has it actually been filed yet?

MR. FINESTONE: Well, let me answer in substance and then if Your Honor has a question, then I'll come back to technicalities. But I know that in the first instance, we filed a completely redacted or sealed complaint. We, subsequently, Your Honor, filed a redacted complaint, which has a very, very small amount of redactions, so I believe they've both been filed. I think they're on the adversary proceeding docket, not on the main Chapter 11 docket. Maybe

that complains -- maybe that answers Your Honor's question.

Mr. Enos, anything you can help the Court with on that?

MR. ENOS: Good afternoon, Your Honor. Ken Enos, Young Conaway Stargatt & Taylor, on behalf of the debtor.

I can confirm that the adversary proceeding, in fact, has been commenced and a summons was issued on Friday. In addition, there was a copy -- I don't know if the Court had a chance to see it -- there was a copy of the adversary complaint in the materials that were sent over to chambers as a related pleading for today's hearing.

THE COURT: All right. Thank you.

MR. FINESTONE: Okay. Thank you, Your Honor.

Christine, you can take down the presentation.

THE COURT: All right. I know there was an objection filed, but it was really an objection to the relief being requested.

Is there anyone else who wants to be heard, other than the objectors, because I'll deal with that when we get to the objection?

MR. SCHARTZ: Hi, Your Honor. It's Brian Schartz from Kirkland & Ellis on behalf of GLAS, the agent.

Can you hear me okay?

THE COURT: You're a little -- maybe I can turn the volume up a little on my end.

Can we turn it up a little? I'm having a hard --

MR. SCHARTZ: I'll speak up, too.

How about that?

THE COURT: That's better.

MR. SCHARTZ: Okay. All right.

Very quickly, as Mr. Finestone said, we represent GLAS, as the agent on the syndicated loan that's, by far, the debtor's largest creditor -- maybe it's the only creditor; we don't know -- with over $1.4 billion outstanding. The agent also owns the equity interests of the debtor. It's a situation you admittedly don't see every day, but I think it's a reflection of how dire this situation really is.

Your Honor, we just rise to say a couple things. Number one, this case is vitally important to the agent and the lenders. They've been living with a loan that has been in default for more than 14 months. As you've heard, numerous defaults, including failure to pay significant interest and Aramor payments (phonetic) over the last 10 months, and the agent is broadly seeking, tasked with ensuring that the lenders' rights are protected in the circumstance of the defaulted loan.

And this case is very important from the perspective of that goal, but also it's part and parcel of a worldwide enforcement strategy that we would like you to be aware of, the whole goal, which is to maximize the value of

the debtor -- the lenders' recovery.

I want to emphasize, Judge, that, you know, we never want to find ourselves in a litigation or enforcement posture. The agent, the Ad Hoc Group of Lenders have worked for 17 months trying to find a way out of the situation. They've negotiated extensively with the controlling insider, Mr. Byju Ravindran and his various agents and advisors to find a solution. And we did that even after we exercised remedies. We did it during the course of the Delaware 225 litigation. We tried to do it even after we won the 225 litigation in front of Vice Chancellor Zurn.

I will add, Judge, one of the most important findings we think, in addition to what Mr. Finestone talked about in terms of the Delaware Chancery Court is that Vice Chancellor Zurn found that, quote:

"That the repeated forbearance reveals the lenders were patient with the loan partners."

We've tried to find peace. We've tried to have a real negotiation, Your Honor. That's what Kirkland & Ellis is all about, frankly. But the funny thing about negotiation, Judge, is that it requires counterparties who are willing to engage in good faith to secure a real resolution.

And the sad thing about this case, Your Honor, is that the agent and lenders now understand that we don't

really have that counterparty. We've dealt with months of a steady stream of false promises, false starts, missed deadlines, misleading press releases, stale or incomplete information, outright lies, and frivolous litigation threats. After all of that, we now understand that we have the choice to fight for our recovery and that's what we're going to do.

Our primary goal here, Judge, first and foremost, we have to find out where the $533 million in cash has gone. Where is it? How much has been spent? And by whom? Mr. Byju Ravindran, himself, as you heard, previously said that it was someplace the lenders will never find it.

Well, Judge, we are here to prove him wrong. We intend to help Mr. Pohl and the debtor's counsel find that money and, frankly, we won't stop until we get as much of it back as possible to the debtor, where it rightfully belongs. We feel that Mr. Ravindran believes the rules do not apply to him. We're here to show him that they do.

And this case isn't about just recovering the $533 million; it's about a whole host of other claims that Mr. Pohl identified and talked about in his first place -- in his first day declaration, excuse me. As he's mentioned, we now believe that there are colorable claims against the debtors' former management and other decision-makers. Mr. Pohl identified in his first day declaration hundreds of millions of dollars of transfers to other parties, other than

Camshaft, for which there's been no explanation. We, frankly, are thrilled that Mr. Riju Ravindran, Byju's brother, has appeared in this court through counsel, because we firmly believe he has a lot of explaining to do for his own actions while he was in control of the debtor.

To bring all of this together, Judge, the various claims and related issues regarding the now-defaulted loan, should not be pursued in piecemeal in a mishmash of different forums. We have a tool to consider them in Chapter 11 and we should use it. This is not a waste of judicial resources, gamesmanship or anything like that. It is exactly what the bankruptcy process is designed to handle.

Even more, Judge, while the objecting parties, if you saw their objection, might have believed and then (indiscernible) here, after I'm done talking, there is an emergency here. The agent and the lenders firmly believe that time is of the essence in the face of the likely dissipation of significant and liquid estate assets. This is not a fraudulent conveyance of the type that you see in large corporate matters; this is cash. Cash gets spent. We really need to find where it is and what is happening to it.

From a broad picture, Judge, I want to talk for just a second about steps that we've taken as the lenders -- as GLAS with the support of the lenders worldwide. When we wake up every morning, we check the news about this company,

the former brothers and sisters that Mr. Finestone represented and mentioned. It is very clear that the value of the lenders' collateral against the other entities, who are former affiliates of the debtor, they've cratered. That value has cratered.

And the information that comes out on nearly a daily basis is alarming. Several operational creditors have filed involuntary bankruptcy petitions against the parent company in India. It's (indiscernible) that real certainty exists as to whether it has an ability to continue as a going-concern. Just two weeks ago, the parent company announced an equity rights issued at a $250 million evaluation. That is less than 2 percent of its peak valuation of $22 billion from 2022. The CFO has resigned. The GC has resigned. All known independent board members have resigned. It's purported that thousands of employees are laid off.

These are critical issues to the agent and lender, Judge, because the term loan is guaranteed by those entities and their value is continuing to diminish, hopefully, not vanishing completely. Faced with this reality, in addition to this Chapter 11 case, the agent, with significant lender support -- we're talking to roughly 90 percent of the lenders on a weekly basis, if not a daily basis sometimes -- the agent has taken, or is expected to take various steps beyond

this case, but we've all pulled together.

In Singapore, we exercised the contractual remedy in the loan documents that allow GLAS to appoint receivers over the assets of the debtor's former immediate parent and one of its loan guarantors, Byju's Pte. and Great Learning, respectively. Again, the lenders are working with the receivers and existing managers to sell that business, the proceeds of which we hope will be used to pay down the loan or at least part of it.

In India, we, ourselves, GLAS, with the support of significant lenders, are launching a voluntary bankruptcy petition against Byju's parent about two weeks ago. We are looking to recover whatever value remains before it, too, vanishes.

In the United States, as Mr. Finestone referenced, there are guarantees from three former affiliates of the debtor and we're closely vetting next steps there, too, Judge.

In the media, Byju's has characterized the agreed and the lenders as overly aggressive. "Vulture funds" seems to be their favorite catchphrase, in addition to what you've already heard about Mr. Pohl not properly being in charge. With respect, that's all noise. We're not vulture lenders; in fact, a significant proportion of these lenders were lenders on day one. By our math, it's just over 60-something

percent were lenders on day one, so they're not vulture funds. They are par -- many of them are par lenders, looking to get a recovery.

And the first and most important question at the outset is: Where is the $533 million? Any party that is unwilling to answer that simple question truthfully and immediately, we would submit, already has told you everything you need to know about their motives. And, Judge, we would urge you to help us do everything we can to find this money and bring it back into the estate as we move this bankruptcy case and the process that Mr. Finestone laid out. Thank you.

THE COURT: Thank you.

All right. Why don't we go to the motions and I'll hear the objection in connection with the motion that gets filed or gets presented.

MR. CHIPMAN: Your Honor, this is William Chipman on behalf of Riju Ravindran and Tangible Play, Inc. and, Your Honor, my co-counsel wants to address some of the issues that were raised by debtor's counsel and Glas' counsel in the presentation.

Would now be a good time for that, Your Honor?

THE COURT: I'll give them that opportunity in connection with their objection to the motions.

MR. CHIPMAN: Thank you, Your Honor.

MR. FINESTONE: Your Honor, Ben Finestone, Quinn

Emanuel, proposed counsel to the debtor.

Mr. Enos is going to handle presenting the motion, but what I'd like to do, Your Honor, before turning it over to Mr. Enos is to move --

Mr. Enos, are we first -- is the agenda, first, going to be cash collateral or cash management?

Forgive me, Your Honor.

MR. ENOS: It will be cash management.

MR. FINESTONE: Okay. Your Honor, if it's okay with the Court, I would like to move paragraphs 90 to 101 of Mr. Pohl's first day declaration into evidence.

THE COURT: Why don't we just move the whole thing in?

MR. FINESTONE: Yep. It's easier. I was going to come back on the second motion.

Your Honor, we'd move for the submission of Mr. Pohl's declaration into evidence, Your Honor.

THE COURT: All right. Is there any objection?

(No verbal response)

THE COURT: The declaration is admitted, without objection.

(Pohl Declaration received in evidence)

MR. FINESTONE: Thank you.

Mr. Enos will present the motion, Your Honor.

THE COURT: Thank you.

Mr. Enos, you're going to have to either speak up or do something with your Mr. Finestone, because you're very difficult to hear.

MR. ENOS: Okay. Your Honor, I will do my best.

Can you hear me okay?

THE COURT: I can hear you, but it's very, very soft. Can you turn up the microphone on your computer, perhaps. Maybe you need to increase the volume on the microphone.

MR. ENOS: Is that any better?

THE COURT: Not really.

(Laughter)

MR. ENOS: I do not know how I can make this thing better. I will, if the Court will indulge me, I will walk down to Mr. Brady's office in 30 seconds and handle these from there if that's okay with the Court?

THE COURT: No, that's fine. I can hear you okay. I'm just going to have to strain a little bit.

Go ahead.

MR. ENOS: My apologies, Your Honor. There was a technology upgrade this morning that apparently I did not upgrade it correctly, I suppose.

In any event, Your Honor, before I get started, I noted that Ms. Casey had her hand up for a while. It's now down. I don't know if she needed to address the Court or

not. So, before I start, I just wanted to begin with her.

THE COURT: Ms. Casey?

MS. CASEY: Good afternoon, Your Honor. Linda Casey on behalf of the United States Trustee.

I had raised my hand when you had asked if anybody else had anything else to say in general, as opposed to objecting. The United States Trustee has worked out all of our issues on the first day pleadings. We do note that the debtor's declaration indicates that they do not have access presently to the books and records and, accordingly, they don't know who their creditors are.

While we are not objecting to the entry of the first day orders, we do note that the debtors will have the burden of demonstrating that the appropriate parties have received actual notice for the relief sought and for the final day, in particular, but without waiving any rights whether a challenge period should commence prior to creditors receiving notice of the bankruptcy or notice of the orders.

But as for today's purposes, we do not have any objection.

THE COURT: Okay. Thank you, Ms. Casey.

MS. CASEY: Thank you.

MR. ENOS: Thank you, Your Honor.

As Mr. Finestone mentioned, we have a very short slate of requests for the Court today and that is obviously

largely because it's a nonoperating company. We do not need much relief. We need the ability to pay bills and pay fees and expenses that arise in the ordinary course.

Accordingly, Your Honor, we are seeking approval to use our existing bank accounts and open new bank accounts, as well as limited cash collateral relief so that we can pay whatever expenses may arise.

I'll echo the various statements that were made by Ms. Casey. We filed these pleadings on Friday. She promptly provided us comments and we were able to work those comments out over the weekend and those solutions were reflected in the proposed forms of order that were filed this morning.

Hopefully, Your Honor, those made their way to your desk, Your Honor, and you had an opportunity to review them?

THE COURT: I have, thank you.

MR. ENOS: Great.

So we're starting, first, Your Honor, with cash management. I guess we're calling this "cash management" but I think it's more just a bank account motion. The debtor has three bank accounts. I believe it was already represented there's somewhere around $20,000 in those bank accounts. We wish to be able to continue to have access with those accounts in the interim period.

As Mr. Finestone mentioned, we're in the process

of obtaining new bank accounts with a different bank to hold the proceeds of the bridge loan, as well as the proceeds of the DIP financing, if it is approved. And importantly, the relief authorized by the interim cash management order both, gives us the ability to use those bank accounts, but also sets up, as is traditional, a process for opening new bank accounts.

So, Your Honor, I don't have much further on that. Unless the Court or anyone else has any questions, we would request that you enter the interim order approving the continued use of debtor's bank accounts.

THE COURT: Okay. I have no questions.

Does anyone else wish to be heard?

(No verbal response)

THE COURT: I'm satisfied the requested relief is appropriate and I'll enter the order.

MR. ENOS: Thank you very much, Your Honor.

Turning to the DIP and cash collateral motion. At the outset, I would note that through the motion, the debtor is seeking approval of a $260 million DIP facility -- twenty million of that is new money -- along with the use of cash collateral, in accordance with the budget.

Importantly, we are now only seeking -- today, we are only seeking entry of the interim cash collateral order and limiting the use of cash collateral to $75,000. This was

an issue first raised by Ms. Casey and her point was that it's a nonoperating company. Do you really need unlimited use of cash collateral? And we agree with her, Your Honor, so we conferred internally, came up with $75,000. We believe that's an appropriate and necessary number for us to continue to prosecute these cases and (indiscernible) to any expenses that may arise before we come back before the Court.

And, Your Honor, before I shift to, you know, the order and changes made to the order, I do not plan to address anything regarding the DIP financing, except to mention that as we note in the motion, no later than 14 days before the final hearing, we will be filing, at the very least, the DIP credit agreement, a proposed final form of order, a supplement to the motion, which we'll fill in certain of the information gaps that were included in the DIP motion that was filed. We'll also be submitting a declaration of Mr. Pohl.

So, Your Honor, turning to the order, I think after having made Ms. Casey's comments, it is one of the more routine and mundane cash collateral orders that will come before the Court. It already had the standard carve-out provision. We have since added a challenge period provision, as well as making a number of paragraphs in the interim order subject to that challenge period. In addition, Your Honor, we have struck the indemnification language.

So, Your Honor, at this time, I would cede the podium to the objectors and anyone else that wishes to be heard, and I'd certainly be willing to answer any questions that Your Honor may have.

THE COURT: Okay. Let me go ahead and hear from the objectors.

MR. CHIPMAN: Good afternoon, Your Honor. William Chipman on behalf of Riju Ravindran and Tangible Play, Inc. I think we're the objectors.

Your Honor, we filed a preliminary objection to the cash collateral and DIP motion this morning. I hope Your Honor has had a chance to review that objection?

THE COURT: I did, thank you.

MR. CHIPMAN: Thank you, Your Honor.

Your Honor, before I get into our objection, I think a lot of it has been addressed with comments from the U.S. Trustee limiting the amount of cash collateral to $75,000. That's a welcomed development for us.

But before I turn to the remaining part of our objection, my co-counsel Mr. Sheron Korpus from Kasowitz would like to address Your Honor regarding some of the statements that were made in the debtor's opening presentation.

If I may cede the podium to my co-counsel, I'd appreciate that, Your Honor. You've already admitted him *pro*

hac vice. I appreciate, Your Honor, doing that.

THE COURT: Okay. Mr. Korpus, go ahead.

MR. KORPUS: Thank you, Your Honor. Nice to meet you and to appear before you.

Can you hear me okay?

THE COURT: You're a little soft. If you could speak up a little bit, that would be helpful.

MR. KORPUS: Yes, Your Honor. I'll try my best. Let me just check my volume on my computer. It's a hundred.

Okay. Your Honor, I won't take too much of your time, because there isn't a motion by us before you at this time to address this, but there is a second side to this story. And the second side to this story is that that at the time that BYJU's Alpha took out the loan and at the time that a notice of default was served by the lenders, there was no payment involved. Every interest coupon was met and paid for in full.

The defaults of the lenders' rate were all technical on the nature of reporting and (indiscernible) really focused on this guaranty to be given by subsidiary that all parties knew was going to be difficult to get due to the change of law in India and the ability of that subsidiary to provide that guaranty, and that's why the loan agreement provided that all we had to do was reasonable efforts to try and obtain the guaranty, which, to this day, the lenders have

not disputed that, indeed, the BYJU's entities did exercise reasonable efforts to do so. So, all of these defaults put a lot of pressure on the company and, ultimately, there was a notice of default, notice of acceleration, and a seizure of BYJU's Alpha, all based on these non-monetary alleged defaults.

Alpha is not, as you heard, it has never been an operating company. Its sole goal was to receive the $1.25 billion and that money was to be used for the entire of Byju's global network of companies. So it was always known that the funds would be sent from BYJU's Alpha elsewhere to the group. That's why there is no covenant that the lenders can rely on preventing the transfer of funds to anyone.

After the default was served, the lenders started this 225 action for control and Mr. Finestone showed you the chart of actions. And what's unique about this case, Your Honor, it's essentially trying to stay two actions that the lenders themselves started. They started the 225 action and through this bankruptcy, they're trying to moot our appellate rights.

They filed this, not after the judgment was rendered, but two months later after they saw our opening brief, because we believe we have strong appellate arguments and I'll get to that in a second. Everything that they showed you about the specified defaults and the agreement and

the arguments made are all part of the record for the 225. They're all going to be part of the record before the Delaware Supreme Court. We have the right to pursue our appellate rights. If we lose, then I guess we're back here and they can do what they want to do, but we do have these appellate rights to exercise.

And then the second action that they're trying to stay is another action that they, themselves, have brought. The lenders brought the action for fraudulent transfer in Florida. They don't like the way it's been going and that's why on the eve of the motion to dismiss, they filed this petition to moot that action.

So there's a lot of gamesmanship going on here. They could pursue this action as creditors. And there's no good reason why they filed this bankruptcy today, other than to moot the actions that they, themselves, took before we had a chance to present our side.

So, we intend, Your Honor, to bring a motion to either dismiss the petition or for relief from the automatic stay to pursue our appeal in Delaware.

You've heard that there's now been a payment default. Well, that payment default came because they accelerated and they can't have it both ways. And they never presented the borrower with an invoice asking for payment of interest; in fact, they said if we made an interest payment,

that would apply to the numerous fees of all the lawyers that you see before you on this Zoom that have been involved on the daily basis talking to their clients and talking to the company and all the rest and, Your Honor, we believe that we should, at some point, address this before the Delaware Supreme Court and that's where this case belongs.

And I believe I don't have anything else and the rest is for Mr. Chipman to address in his objections, unless you have any questions for me?

THE COURT: No questions, thank you.

Mr. Chipman?

MR. CHIPMAN: Thank you, Your Honor.

So given that the debtors filed a revised form of order limiting the use of cash collateral to $75,000, I think that moots most of our objection, Your Honor. Our objection was, basically, that the only amount that should be authorized to be used under the interim cash collateral order should be limited to what the debtors actually need to spend. So I think the $75,000 cap addresses that.

We also asked for specific -- the terms of the DIP loan, which I believe Mr. Enos said he would file 14 days prior to the hearing. Your Honor, normally, we would see those filed with the petition and, usually, we would have a little bit longer period of time to review those and file an objection, so we think 14 days is a little short. We don't

know what the terms of the DIP are. We just know that it's a $260 million roll-up with a $20 million -- or $240 million roll-up on a $20 million new term loan. We don't know any of the other terms and releases, so forth, and so on. We also think, Your Honor, we should have time to fully brief a motion to dismiss and enter that at the same time.

So, Your Honor, if it pleases the Court, we think that we should have 21 days' notice of the terms of the DIP. And if Your Honor is going to schedule a final DIP hearing, I think we should have time to fully brief the motion to dismiss and have it heard at the same time.

THE COURT: Well, I'll direct the parties to meet and confer and talk about that issue and then come back to me and contact chambers for the proposed hearing.

MR. CHIPMAN: That works, Your Honor. We appreciate your time.

I don't think I have anything else because of the comments that were accepted of Ms. Casey that limited the amount of the cash collateral to $75,000. It took away a lot of our -- it mooted a lot of our argument, Your Honor.

THE COURT: Okay. So I can, for purposes of what I'm going to put on the docket, are you withdrawing your objection?

MR. CHIPMAN: Your Honor, we're withdrawing our objection with regard to limiting the amount of cash

collateral to be authorized to be used during the interim period, because that's already been addressed by the U.S. Trustee.

With regard to the rest of the objection, Your Honor, again, we would like a full version of the DIP motion, the DIP credit agreement, the final DIP order, and sufficient time for us to address it in the context, as we talked about, of a motion to dismiss. So that part of our objection, I'm not withdrawing, Your Honor, but --

THE COURT: Well, that's not before me today, so there's no objection to the DIP at this point.

MR. CHIPMAN: So, Your Honor, that's correct. Your Honor, we did reserve our rights on that.

So, with regard to the use of the cash collateral, we'll withdraw our objection with regard to that, Your Honor.

THE COURT: Okay. Thank you.

Anything else that we need? Anyone else wish to be heard before I rule?

(No verbal response)

THE COURT: Okay. I'm satisfied the requested relief is appropriate and I will enter the order as submitted, the revised order as submitted by the debtors.

I don't know what else we need to talk about at this point, other than maybe some preliminary observations by me at this point. And at this point, I've got a valid Court

of Chancery order appointing another party as the controlling shareholder of the debtors or whatever -- I don't know if it's shareholder or -- controls the debtors and Mr. Pohl is the sole officer and director of that company. That order has not been stayed pending appeal, so the order is that order, and I'm going to proceed on that basis, just so everybody is aware of that.

One other observation -- one other request, that the parties start talking to each other. There really is no reason the debtors, at this point, shouldn't know where that money is and I don't understand why that hasn't been disclosed. So I'm going to request that the parties talk to each other and see if you can come to an understanding about that and figure out what's going on here, because we're going to waste a lot of time and energy on discovery and motions and whatnot, that could be avoided if the parties would just talk to one another.

Mr. Korpus?

MR. KORPUS: Yes, Your Honor. I'm set.

THE COURT: Okay. All right.

Anything else for today?

MR. FINESTONE: One final thing, Your Honor. For the record, Ben Finestone, Quinn Emanuel, proposed counsel to the debtors-in-possession.

And I think it's related to the theme of Your

Honor's last comments for which we thank the Court. I didn't have the adversary proceeding number before, Your Honor, but it's Adversary Proceeding 24-00513.

We filed, as I mentioned, I think twice, we filed that complaint on Friday, February 2nd, and we emailed counsel to Camshaft, because they're, at least, the initial transferee. We asked them to accept service: no response. We asked them to accept service today: no response.

I am not, Your Honor, about to ask the Court to do something about that. We can serve the complaint. We can handle that if counsel is going to continue to ignore us.

What I am asking for is very modest. We asked them to accept service twice. Both those times, we also asked them to meet and confer so that we can satisfy Your Honor's requirement that before we file a motion to expedite discovery in that adversary proceeding -- because to us, cash is a melting ice cube -- they're not meeting and conferring with us. So my modest request from Your Honor is can we have authority to file a motion to expedite discovery, Your Honor? Your Honor will schedule it when it works for the Court.

But we can't sit here comfortably getting ignored on the meet-and-confer requirement, and, Your Honor, of course, I know you directed your comments to Mr. Korpus, but we, and Mr. Pohl, of course, are going to be available to talk. All we want to do is find the money. But we just want

simple authority from Your Honor that emailing these, because counsel is ignoring us to satisfy our meet-and-confer requirement, before we file our motion to expedite discovery, the merits of which Your Honor will evaluate when you get the motion.

THE COURT: Is there anyone on the call from Camshaft, by chance?

Yes, there is, Mr. Van Tol.

MR. VAN TOL: Hi, Your Honor. It's Pieter Van Tol from Hogan Lovells for Camshaft.

The adversary complaint was just filed, Your Honor. It was just served. So now that it's served, we will, of course, engage with counsel, as is appropriate. If they have a motion to make, we will, of course, address it.

THE COURT: Okay. Mr. Finestone, has it been served by serving on counsel and requesting them to accept service or was it served on the registered agent or how was the service completed?

MR. FINESTONE: Your Honor, I actually don't know whether we -- yeah, we asked counsel to accept. They haven't accepted. Maybe Mr. Van Tol just accepted.

I did not rise prepared to tell Your Honor that we satisfied a (indiscernible) for service in view of their lack of agreement. All I rose for was to see if I can file this motion to expedite discovery, Your Honor.

So, Mr. Van Tol, we'll meet and confer with you immediately both, on service and the meet-and-confer requirement.

MR. VAN TOL: Thank you, Your Honor.

THE COURT: All right. Mr. Van Tol, are you accepting service on behalf of your clients?

MR. VAN TOL: I believe it's already been served, Your Honor, through some corporate meeting, so I don't know if that's necessary, but I will double-check that.

THE COURT: Okay. Then I would direct the parties to meet and confer and talk about the discovery issues in advance of the final hearing.

MR. VAN TOL: Thank you, Your Honor.

THE COURT: Okay. All right.

Anything else for today?

MR. ENOS: Yes, Your Honor, just one administrative item. We need to schedule a final hearing/second day hearing.

THE COURT: I'm going to ask you to contact chambers to do that so that I don't mess up the calendar.

MR. ENOS: Absolutely, Your Honor.

THE COURT: It's been known to happen.

(Laughter)

THE COURT: All right. Anything else for today?

(No verbal response)

THE COURT: Okay. Thank you all very much. I appreciate it. I will see everybody when we get around to the second day hearing.

MR. ENOS: Thank you, Judge.

THE COURT: Okay. Thank you.

We're adjourned.

COUNSEL: Thank you, Your Honor.

(Proceedings concluded at 4:06 p.m.)

CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling February 6, 2024

William J. Garling, CET-543
Certified Court Transcriptionist
For Reliable

/s/ Mary Zajaczkowski February 6, 2024

Mary Zajaczkowski, CET-531
Certified Court Transcriptionist
For Reliable

EXHIBIT 30

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	Chapter 11
	Case No. 24-10140 (JTD)
BYJU'S ALPHA, INC.,	
Debtor.	
BYJU'S ALPHA, INC.,	
Plaintiff,	Adv. Pro. No. 24-50013 (JTD)
v.	
CAMSHAFT CAPITAL FUND, LP CAMSHAFT CAPITAL ADVISORS, LLC, AND CAMSHAFT CAPITAL MANAGEMENT, LLC,	Courtroom No. 5 824 North King Street Wilmington, Delaware 19801 Friday February 16, 2024 2:09 p.m.
Defendant.	

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Debtor: Kenneth Enos, Esquire
YOUNG CONAWAY STARGATT & TAYLOR LLP
1000 North King Street
Wilmington, Delaware 19801

(APPEARANCES CONTINUED)

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Proceedings recorded by electronic sound recording, transcript produced by transcription service.

APPEARANCES (CONTINUED):

For the Debtor:	Benjamin Finestone, Esquire QUINN EMANUEL URQUHART & SULLIVAN LLP 51 Madison Avenue 22nd Floor New York, New York 10010
For GLAS Trust Company LLC:	Brian Schartz, Esquire KIRKLAND & ELLIS LLP 609 Main Street Houston, Texas 77002
For Camshaft:	Pieter Van Tol, Esquire HOGAN LOVELLS US LLP 390 Madison Avenue New York, New York 10017
For Tangible Play, Inc.:	Joseph Cicero, Esquire CHIPMAN BROWN CICERO & COLE, LLP 1313 North Market Street Suite 5400 Wilmington, Delaware 19801

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(Proceedings commenced at 2:09 p.m.)

(Call to Order of the Court)

THE COURT: Please be seated. Mr. Enos, no need to reintroduce Mr. Finestone. We can just jump right to Mr. Finestone.

MR. ENOS: Thank you, Your Honor. With the Court's permission I will cede the podium to Mr. Finestone.

MR. FINESTONE: Good afternoon, Your Honor. Ben Finestone from Quinn Emanuel, proposed counsel to the debtors-in-possession.

Your Honor, we are here today with respect to the debtor's motion to expedite discovery that was filed at ECF No. 7 on the adversary proceeding docket. We also filed that, Your Honor, in the main bankruptcy case in an attempt to preempt any additional procedural oppositions that may come our way.

Your Honor, I guess what I would like to do is just start off by clarifying that in our view we are asking for very modest relief. What we have asked for the Court to grant us authority to do is to issue six document requests to the Camshaft defendants, eight interrogatories to the Camshaft defendants, and across all 14 of those discovery requests, Your Honor, it's safe to say they concern one thing; they concern the transfer of $533 million of the debtor's funds. We have also asked Your Honor to issue six

very, very similar interrogatories to the debtor's former officer and director, Mr. Ravindran, who we know because he was the only employee of the debtor who was responsible for the transfer.

Your Honor, I guess what I would like to present today is four potential grounds for cause that can form the basis for Your Honor to grant us the relief that we have asked the Court to grant.

First, I will just sort of refer by incorporation, Your Honor, the first day hearing that took place on February 5th we submitted for admission, and it was admitted, Mr. Pohl's declaration. Mr. Pohl's declaration goes through in great detail everything that we have been able to learn about this transfer and I won't take the Court through it again, the Court was gracious with the Court's time on the first day hearing, but I will just, at the highest of levels, summarize it.

Mr. Pohl came into power in March 2023. It took him a while, but he discovered that this half a billion dollars was gone. It took him a while, but he discovered that the half a billion dollars was transferred to a hedge fund called Camshaft Fund. And then in subsequent litigation in State Court we found out not only that the money was gone from the debtor, but any putative argument for a replacement asset, such as an interest in this Camshaft Fund, we were

being told the debtor doesn’t even have that. So, the $533 million was gone and there was nothing put back on the balance sheet. So, that is grounds one which is the description around this, what we have alleged with great confidence, Your Honor, to be an actual intent fraudulent transfer.

Grounds number two, Your Honor -- as Your Honor knows, pursuant to the scheduling order that the Court entered this week, we have two objections filed to this motion for expedited discovery: one by the Camshaft defendants and one by Mr. Ravindran. Together it is more then 20 pages. One thing that isn’t referenced or isn’t included at all in any of those 20 pages, and I will go further, Your Honor, they also filed a motion to dismiss our voluntary petition last night or the night before is another 25 pages.

In those 45 pages there is no argument, allegation, there is no even suggestion that this transfer was done without an actual intent to hinder, delay, defraud our lenders and maybe that would be tough for them to do because, as Your Honor may remember from the first day declaration, our former director and officer stated that the money was somewhere where our lenders would never find it.

I don’t care about the lenders, Your Honor. I care about my estate and I care about the debtor. That is

now -- the money is somewhere where he doesn't think I am ever now going to find it on behalf of the estate.

So, no substantive response and not just on actual intent, Your Honor, no response or suggestion of reasonably equivalent value. Forget reasonably equivalent value, forget fair consideration, they don't even say, well, you got a peppercorn of consideration in exchange. So, lots of opportunities to say this wasn't a fraudulent transfer and instead this whole bankruptcy case was a bad faith filing.

Ground three, Your Honor, and we made this point in the reply that we filed yesterday, but I would just like to put a little nuance on it. We said, Your Honor, that in these opposition papers they advanced reasons why we shouldn't get the expedited discovery, but they didn't answer the question of where the funds are. They certainly could have, Your Honor. There could have been a hypothetical opposition that was filed that said: YOur Honor, this isn't a fraudulent transfer as alleged, we have defenses to the fraudulent transfer, or there was good cause for why Mr. Ravindran, the prior officer and director, transferred the money, we are going to assert those defenses. They certainly know that this Court is going to give them an opportunity to present their defenses.

They could have said that and at the same time said, but the cash that we transferred is in Florida, its in

a Camshaft Fund, or it's in an account in Delaware, or its somewhere safe. They dodged that question entirely. My point is they certainly could have said this is where the cash is while retaining all of the defenses on the merits. The location of the cash should have been a non-controversial point. It's an addition reason for concern for the debtor.

Just to drill down on it a little bit, I guess with more precision, there are two defendants over there -- two objectors, Your Honor. I guess we are not surprised that Mr. Ravindran didn't want to tell us where the cash is. He is, after all, the person who transferred the cash away and we suspect that the money is in the power of the Ravindran enterprise. So, him hiding it maybe we weren't surprised.

The Camshaft Funds, which were the funds that received this cash, at least, as an initial matter, they should really have no dog in this fight, Your Honor. They shouldn't care who has the claim against Camshaft for that cash. I would have expected them to respond and say, yes, we do have the cash, we will hold it pending Judge Dorsey's ruling, or, yes, we do have the cash -- or we don't have the cash anymore because someone took it away from us. Either way we are just a conduit or we have no dog in this fight.

Instead, what we see is them responding also and they didn't shed so much as a clue. So, our inference from that, which at least from the debtor's perspective we believe

to be inescapable, Your Honor, is these are two parties working on concert with each other. From our perspective they're hiding the debtor's cash and that is grounds three for expedited discovery, Your Honor. We said in our papers it's a non-controversial point, but I will just say it one more time: concealment of transferred funds is one of the more compelling badges of fraud when it comes to actual fraudulent transfers, Your Honor.

Fourth potential basis, and I am not going to spend any time on it because I don't think I need to, we reference it in our papers, but fourth potential grounds, Your Honor, for the motion I will just say that their refusal to meet and confer, after the Court suggested a meet and confer, its -- obviously, the Court knows whether that was an instruction, a direction, or an order, but it was at a minimum a suggestion. Their refusal to meet and confer and the refusal to shed any light on the location of the cash, I think, independent of everything else stands and compromises grounds to grant our motion for expedited discovery.

Your Honor, I will just -- I think I would like to just request the opportunity to respond to some arguments after their made. They filed a motion to dismiss the Chapter 11 case. The mere filing of a dispositive motion really, most Courts have decided, should have no impact on whether discovery should be stayed, whether discovery should be

expedited. The mere filing of a motion is just that, it's the mere filing of a motion.

I will just say that like if the Court is going to break from that tradition it shouldn't be this motion that would cause the Court to break from that tradition. This motion, Your Honor, questioning whether this filing is value maximizing we have a tough time accepting that motion as having any merit whatsoever. We have no assets, Your Honor, no material assets relative to our $1.4 billion. The reason we have no assets is because of our former director and officer; the same party who has filed the motion to dismiss the bankruptcy case.

We filed this case in the first instance to avail ourself of Chapter 5 cause of action. It is our job, as fiduciaries for the estate, to recover this money for the estate. We are not recovering it for the benefit of any subset of lenders. We are not recovering it for GLAS. We are not recovering it for the 100 lenders that we have. We are not recovering it for potentially unknown, unsecured creditors that we just don't know about because we haven't had a full review of our books and records.

We are seeking to recover that money, Your Honor, for the benefit of this Chapter 11 estate and Your Honor knows we are not going to be able to do anything with that cash without Court approval. It is going to be distributed in

a fair and equitable way under Title VI. So, two-party dispute we have got 100 lenders that we know about. A two-party dispute we have got initial transferee and likely its been represented to us there will have to be subsequent transferees. I don’t see any two-party dispute here. I see plain and obvious financial distress.

One last point, I see value maximization, Your Honor. I know I’m really getting into the merits of the motion that is not being presented today, so I am going to cut it off after this. In their papers they continue to point to all of these motions to dismiss that they had pending in the Florida State Court when the lenders were pursuing avoidance of the same fraudulent transfer. They are saying those motions were so -- those motions to dismiss had so much merit that we decided to file this Chapter 11 case out of fear of those motions to dismiss arguments that they think are dispositive.

Your Honor, I haven’t been in the trenches on the arguments that they have made in Florida because that is GLAS’s cause of action. It is not the estate’s cause of action. But I have reviewed their papers and I have noticed that basically all of them fall away. They said the debtor wasn’t a party. Well, the debtor is the plaintiff now. They said GLAS wasn’t an actual creditor. It’s actually the 100

lenders. Well, that doesn't matter anymore, Your Honor, because I have standing under Chapter 5.

Technical argument after technical argument, none of them are going to apply to this debtor-in-possession pursuing the causes of action. To bring that all together for that reason alone the stronger that they think their arguments were in Florida the more value maximizing this Chapter 11 case will be under the auspices of this Court, the U.S. Bankruptcy Court for the District of Delaware.

Your Honor, we ask that the order be entered so we can find the location of the cash. We really are not trying to get a leg-up on federal rules of civil procedure and we made sure to keep the scope to just a location of the cash. We are concerned about dissipation. We are concerned about subsequent transfers and the deleterious effects it could have on our estate.

Thank you for the opportunity to be heard, Your Honor.

THE COURT: Thank you.

MR. SCHARTZ: Good afternoon, Your Honor. Brian Schartz with Kirkland & Ellis. I represent GLAS, the agent, on the defaulted loan.

The agent acts on behalf of more then 100 lenders. The agent takes its role very seriously. And we are going to do everything in our power to help the debtor find the $533

million. Mr. Finestone is right, the debtors' perspective is different then GLAS's, but we are aligned on this. We have spent more than nine months trying to find that money. We have no answer for it today. We have learned a couple things:

Number one, we have learned just how far that folks who are represented in this room will go to conceal that answer. When Mr. Byju Ravindran told us in May of last year they put the money "some place the lenders would never find it" it was a clear statement of intent to conceal that and they have acted accordingly. So, no one has disputed that. It's a very interesting point that Mr. Finestone just made, but we have been aware of it for a long time.

Second thing we have learned is that Byju Ravindran, his brother Riju Ravindran, and the rest of the Think & Learn corporate enterprise to which BYJU's Alpha used to be a part of they have, essentially, abandoned all of their obligations under the credit agreement. So, I want to unpack that for a moment because it's a complicated point that comes up in all of the papers. You are going to hear more about it, but I do think there is an important takeaway for today's purposes.

When we litigated the Delaware 225 action in Delaware it was on the basis of four acknowledged events of default. The debtors, Think & Learn, had signed papers

saying we acknowledge these events of default. Vice Chancellor Zurn found that there was, at least, one that Mr. Pohl had been appointed correctly because of that and that is what would be up for appeal was it not stayed. Again, they didn't seek a stay when they lost.

Since then, Judge, the events of default have only piled up. So, when I was here at the first day hearing virtually, I said there were 11 events of default. By our count it is pretty hard to keep count. We think there are, at least, 16 events of default outstanding with probably more coming on the horizon, Judge. And they are not immaterial. When you add the whole thing up, I am not going to go through every single one because it would be pretty boring and dry, but they go to the heart of the lenders original decision to loan money to the company.

Lenders don't make a loan for more then a billion dollars without having protections and a credit agreement. They go to payments of interest which hasn't been made in quite some time, payments to amortization, same thing. Quarterly calls with the management team. Its been a long time since we have had them. Ability to inspect books and records. Ability to see financial records. None of that has happened, Judge. And, of course, no lender would make a loan unless they had that.

Think & Learn says that the lenders want to have their cake and eat it too or have it both ways. Everyone followed that argument. All the lenders and the agent want is to get the benefit of the contract that was entered into and to have them comply with the law. I am focusing on this because when you think about it we think it tells you something very important. What it means is that Think & Learn and the Ravindran's, both brothers, they are far more interested in hiding the $533 million then they are with complying with the credit agreement.

They would rather hide the money then comply with the agreement. That is a very important proposition because what it means, Judge, is pursuing the Delaware appeal, pursuing modification, automatic stays, let that go forward; its all a ruse, its all a red herring because if they were to win the Delaware appeal, which they won't, but if they were they are, by our account, at least a dozen other defaults waiting for them on the other side. The lenders are just going to do the same thing they already did.

It's such an important point because why would Think & Learn and the Ravindran's engage in such a (indiscernible) strategy; well, Judge, its just time. The more time they can buy the more they can continue to hide the money and keep up the charade, the longer they have the debtor's money and the more they can use it; however, it is

that they're using it. Hopefully it is not as improper as we fear.

By the way, it's also the same reason that the Ravindran's and Think & Learn wanted to dismiss the case because if they are successful, it isn't like they are going to sue themselves and bring $533 million back into BYJU's Alpha. There is going to be another default, but even if they could they aren't going to do it because they are not going to do anything to maximize the value of this debtor.

To the contrary, they want to do what every bad actor insider who is worried about a claim by creditors of one of the boxes for which they had a fiduciary duty, they are going to do what every bad actor wants to do, they are going to try and bury it. That is why we have things in bankruptcy like the ability for creditors to obtain standing to bring a case. And this is a Delaware Corp., not a Delaware LLC, so we don't have that technical issue here.

Judge, we really want the ruse to stop today. We agree with Mr. Finestone that the relief is very narrowly tailored. We think that it's appropriate and we would ask you to approve it. Counsel for the parties are in this room, they can answer these questions today. Its been more ten nine months. It's a critically important question to my client and the lenders which it represents. We stand in support of the motion without qualification.

Thank you.

THE COURT: Thank you. Any one else in support of the motion?

(No verbal response)

THE COURT: Okay.

MR. VAN TOL: Good afternoon, Your Honor. Pieter Van Tol for the adversary proceeding defendants, Camshaft.

I would like to go back to the standard because I think this is a rare instance where the parties agree. It is the good cause standard that seems to be the favored one among the District Courts and Bankruptcy Courts, but if you look at what that says it imports a reasonableness inquiry. In turn, that means that the Court should look at whether or not there are merits to the claim.

Expedited discovery is an extraordinary remedy. We cited the Techtronic case and it cautioned that it should be used very carefully after a look at the merits. What is interesting about Mr. Finestone's presentation, Your Honor, he focused on what he called technical arguments. What he didn't happen upon was the substantive argument that was made in the motion to dismiss in the Florida Court in which Camshaft the credit agreement does not restrict the use of the loan proceeds.

That, Your Honor, goes right to the merits of the case. That goes right to whether or not there was a

fraudulent transfer simply because a hedge fund was sent money. That issue, Your Honor, was going to be decided by the Florida Court and it was on the cusp of deciding that and it had already denied expedited discovery and on the eve of such a hearing GLAS pulled the plug. What we haven’t heard from any party here today is why would they do that?

They had the ability, as of November 2023, to come to bankruptcy court if that is where they really wanted to be. Instead, what they did is they went to a Florida Court, asserted Florida claims just like they do here, didn’t get the result that they wanted, so they came to Your Honor.

THE COURT: The action in Florida was filed before the decision was made in the Chancery Court case, was it not?

MR. VAN TOL: Yes, Your Honor.

THE COURT: So, it was a different party, it was GLAS?

MR. VAN TOL: It was, Your Honor, but then they had the ability as of November 2023 if they wanted to stop what was going on in Florida, they could have stopped it a lot earlier then they did rather than on the eve of what they thought was going to be an adverse result. So, they come to Your Honor and then in their papers what they --

THE COURT: I don’t know if I have any evidence that they thought it was going to be an adverse result.

MR. VAN TOL: Well, Your Honor, I think the chronology suggests it is. It makes no sense for them to go right up to the eve of a hearing and then pull the plug. What they say in their papers is that Your Honor is a better Judge, to use that word advisedly, of what Florida law is then the Florida Judge. Of course, we have full confidence in whatever Your Honor decides, but its both inaccurate and not really --

THE COURT: Well, I am not deciding Florida law. These are fraudulent transfers under the bankruptcy code.

MR. VAN TOL: They are, Your Honor. They also import Florida law. That is right in the complaint. They are making the same claim based on Florida law that they made in the case before the Florida Judge.

THE COURT: I do that every day in every state.

MR. VAN TOL: agreed, Your Honor. My only point is there has been no showing why the Florida Court couldn’t do that. So, the only conclusion one can draw is that --

THE COURT: Well, the Florida Court can’t apply the bankruptcy code.

MR. VAN TOL: I’m sorry, I didn’t hear you, Your Honor.

THE COURT: Florida Court can’t employ the bankruptcy code.

MR. VAN TOL: I understand, Your Honor.

THE COURT: So, they got two causes of action. One under the bankruptcy code and one under the Florida code.

MR. VAN TOL: Yes, Your Honor. Obviously, and you know this more then I do, there is a dovetail and overlap on the elements of actual and constructive fraudulent transfer. We would make the same arguments on the merits here that we were making in the Florida case.

So, what we are asking for, Your Honor, is not anything extraordinary. We are ready to file a motion to dismiss. It will be similar to the one that has been filed. We will also add our other claims. All we are asking is that Your Honor take a look at the merits before you decide whether or not there should be expedited discovery rather than the other way around. It will be a much more informed decision that Your Honor makes once you see what the law is as opposed to counsel’s arguments about what they think the law is.

So, for that reason, Your Honor, we would submit that good cause has not been shown and all we are asking, Your Honor, is a time, not a lot of time, to simply get our motion to dismiss on record, have it decided and then the Court can see where things lie on discovery.

THE COURT: All right. Thank you.

MR. VAN TOL: Thank you, Your Honor.

MR. CICERO: Good afternoon, Your Honor, Joe

Cicero from Chipman Brown. Thank you for hearing me today, may it please the Court.

I won't belabor what's in our papers, I will just highlight that we're here to object on Mr. Ravindran's behalf on the discovery that's proposed to be propounded against him in this adversary proceeding, we think for a couple reasons. One, we filed a motion to dismiss, which will be heard in 25 days before Your Honor. We believe that under that time frame there's no reason to have discovery before Your Honor hears that, it's a pretty short time frame, and I won't belabor the reasons for that.

The other one is -- it's sort of an awkward procedural scenario that we're in for Mr. Ravindran. The proposed requests were awkward and unorthodox, they appear to be under Rule 33, they also -- and it's and/or Rule 2004, and it's in the adversary caption. So Mr. Ravindran is not a party, we've appeared here to object, just like anyone would object to quash a subpoena who's a nonparty, but we don't see how a Rule 2004 examination can be awarded based upon what we put in our papers, which is there's a pending proceeding in the adversary proceeding that we're here today on and that would be skirting that.

And in the adversary proceeding itself, Mr. Ravindran is not a party and certainly, if they wanted to serve subpoenas, they could do that, but what they can't do

under the Rules of Federal Procedure as adopted by the Bankruptcy Rules is serve interrogatories on a nonparty, and that's what they've done. You've heard it today, they asked for a handful of interrogatories. If you look at the proposed discovery requests, they are interrogatories, and they don't reference Rule 45. Rule 45 does not give one the ability to propound interrogatories, nor, do I submit, Rule 2004 allows that. Rule 2004 allows for documents and for an examination, which I believe is sort of similar to a deposition.

So, for that reason, you know, we think it should be stayed because of the motion to dismiss, but we also think that it's procedurally improper and, as set forth in the papers, Rule 2004 doesn't work.

I want to give a little bit of some background points. I don't want to go back and forth on the merits; I think this is the wrong place for that. It's a motion to accelerate discovery, it's not any other hearing. So the fact, if we remain silent on a particular fact, we're not conceding that, as Your Honor knows. And so the aspersions that we remain silent leads one to believe that we agree with it is certainly not the case.

The debtor, as you know, was never an operating company. I think it was solely to serve as a borrower under the credit agreement. GLAS and Mr. Pohl's complaint in the

Court of Chancery action specifically states that. They state, "BYJU's Alpha's is a special financing vehicle that has no active business operations." The only creditors are the lenders that are within the purview of the GLAS agency relationship.

THE COURT: We don't know that because they haven't been given the business records.

MR. CICERO: They've been given the business records. In the 225 action, we gave the business records. They're just sparse because it was a special purpose financing vehicle. They have lenders and that's it, and the lenders are all one party.

THE COURT: They're still creditors.

MR. CICERO: Pardon me?

THE COURT: Lenders are still creditors.

MR. CICERO: Sure, they're creditors, but they can't act alone under their current arrangement. There's a steering committee that controls the lenders and they can act as one voice, and GLAS is the agent for them.

So, really, you're talking about a conglomerate being -- it's one party, it's 100 lenders within the auspices of GLAS. And then Mr. Pohl, who was appointed by GLAS, and Mr. Pohl, at his deposition in the Court of Chancery action, admitted that he takes instruction from GLAS. I took his deposition.

These are the things that you would learn when we have this motion to dismiss hearing and I'm just highlighting some counterpoints to the narrative. This was really a nonpayment default and, under New York law, we believe it would have been characterized as technical defaults that would not accelerate a loan like this, and they avoided New York like the plague. They came to Delaware in one of the most unorthodox 225 actions I've ever seen, I don't think it's ever been done. They came as lenders to enforce their rights as lenders under a corporate governance procedure that allows one to take control of the board, which they did, and the Court said that they were able to do that, but it was very unorthodox. What they were really focused on during that proceeding was finding out where the money is, and the Court said that's not relevant.

As you noted, even before the decision, they filed in Florida. They had learned somehow that Camshaft had the money. I'm not involved in the Florida action, I don't know what's happening there, but they certainly knew in September before the ruling came down, so they had plenty of time. And what they learned, at least according to their complaint, is that that money was transferred in 2002, so well before the actions happened --

THE COURT: 2002?

MR. CICERO: '22, sorry.

THE COURT: Twenty two years ago?

(Laughter)

MR. CICERO: I misspoke. 2022, not '23, and, you know, I'm going back to college on that one.

So it was purportedly transferred well before even the remedial measures taken that caused the Chancery action, Your Honor. They waited at every instance; they waited two months to file the Chancery action, they waited two months to file this action from the ruling from Vice Chancellor Zurn. So they're not really acting with alacrity and what they're asking for is expedited discovery. And, as I said, in 25 days you will hear the motion to dismiss, you will decide that as you may, but it certainly doesn't make sense to accelerate discovery.

I will submit that what they really want is the answer. They care less about this bankruptcy than they do about that answer. So that's why they're doing this. They know that, if the motion to dismiss comes and goes, you might rule in our favor; you might not, but if you do, they don't get the answer to that question and that's why they're here on this expedited motion.

As I said, I can't speak for Camshaft, but with respect to Mr. Ravindran, I don't think there's a mechanism -- you can't use -- I don't think you can use 2004 and there would need to be nonparty discovery. We did not appear as a

party. There was a strange -- bear with me one second -- there was a strange notation in the reply that seemed to concede that Rule 2004 doesn't apply. It was at page 16, it said "solely in the alternative," the Rule 2004 request was solely an alternative to its request that expedited discovery be granted in the adversary proceeding. Now that Ravindran has appeared in the adversary proceeding and advanced no procedural objection to the requested discovery proceeding in the adversary proceeding, the debtors' request under Rule 2004 is moot. And then they put a footnote that notes that we've waived our objections to the non-Rule 2004 discovery, and they quote from the notice of this hearing saying that, if you don't object, you've waived all rights to the relief sought.

Your Honor, as you know, the relief sought is to expedite the discovery, it's not for you to compel answers to discovery. So we certainly had not waived our procedural objections. We are objecting to the expedition of this case -- or this discovery and to stay discovery, we weren't talking about the procedural aspects. I raised them today to put it on the record. If Your Honor does rule to expedite, which we believe you shouldn't, we can lodge our objections and we can proceed in the normal course.

THE COURT: Let me ask you a question.

MR. CICERO: You may.

THE COURT: Did the company in the Court of Chancery action admit that they were for nonpayment defaults?

MR. CICERO: No, that's a big point of contention. What they're taking is a defined term, and I believe it was stipulate -- no, I forget what it was -- it was like --

UNIDENTIFIED SPEAKER: Specified default.

MR. CICERO: -- specified default -- thank you very much -- in the forbearance agreements when they were working through extensions and amendments to the credit agreement, they used the phrase specified default. It was just a defined term to use within that document. Nothing, we would submit, in that document -- we've argued this before with the Court of Chancery and we've also argued it on appeal to the Supreme Court in our opening brief -- nothing in there actually says we agree and concede and acknowledge that this is a default. That's our position; that was our position with the Court of Chancery and in the Supreme Court.

THE COURT: All right. So my other question is, I don't understand why your clients and the Camshaft parties, if everything was on the up-and-up, if there's no fraudulent conveyances here, why not just tell them where the money is?

MR. CICERO: I understand that, Your Honor. This is a weird situation in the sense that the tactics that have been employed by GLAS have been very Draconian. The lenders have already shown that they are determined to be as

aggressive as possible and will stop at nothing. When is the -- I would just put it this way, when is the last time you've seen an acceleration while the borrower is paying all amounts, and when did you see a 225 action that was brought when there was no lawsuit on a default.

They've never even -- I think Judge Rievel (ph) said it right, if you read his transcript when he vacated the motion to expedite, he was perplexed as to why GLAS never sued on the note. They've never once filed a lawsuit to collect on the note to claim that there was a default. What they did, they did an end-run with Section 225, which is unorthodox, as I said.

So this is all unprecedented. They've used the press and they've cut off the oxygen of the company and, as noted at the first day hearing, the value has plummeted. That's because of the action of the lenders, Your Honor, and that's why my clients are concerned about them learning about where the valuable assets are that are allowed to be moved to other BYJU's entities where they because they know that they've employed these ultra-aggressive tactics that we believe are unlawful, and we have a multiple series of lawsuits and appeals that have now been stayed where we're trying to vindicate their rights. That's the answer, Your Honor.

THE COURT: Well, it's all before me now. So

you're not really answering for -- to my satisfaction why you can't just tell them where the money is because, if you do, I mean, they can't take any action without coming to me first, and this all goes away.

MR. CICERO: I understand the question. First and foremost, I don't --

THE COURT: It leads me to believe that there's something wrong going on here. If your client is not even willing to say where the money is, that's a problem, I have a problem with that.

MR. CICERO: I understand your position, Your Honor, but I certainly can't tell them where the money is because I don't personally know where the money is.

THE COURT: Well, your client does.

MR. CICERO: Well, they noted that counsel today could tell you --

THE COURT: Camshaft certainly does, they know where they transferred it to.

MR. CICERO: Camshaft may know more than my client. I don't know what they know, standing here today, and it certainly isn't fair to say in papers that counsel could stand in this courtroom and tell you where the money is, and that's what they've done multiple times.

THE COURT: Well, I mean, you can ask your client, you've chosen --

MR. CICERO: And I didn't say I -- and --

THE COURT: -- you've chosen not to ask your client.

MR. CICERO: -- and I can't say -- well, you should assume that I've asked my client and had conversations with my client about this matter, but I'm not allowed to reveal what those contents of those discussions were at this time. But I gave you my position; I don't have any better answer for Your Honor.

THE COURT: All right.

MR. CICERO: Thank you.

THE COURT: Okay, anyone else on this side?

All right, back over here.

MR. FINESTONE: Just briefly, Your Honor. Ben Finestone, proposed counsel for the debtor-in-possession.

Your Honor was exactly right, the cause of action that we're asserting is pursuant to Section 548 of the Bankruptcy Code. We also have a Section 544 code, which is technically a federal count as well. So Your Honor was right, we have both of those. The lenders, they didn't have either of those. They didn't have Section 548, they didn't have Section 550, and, more importantly, when they were pursuing that cause of action it was for their own benefit and nobody else's benefits. As I said before, Your Honor, we're pursuing the action for the entire estate.

The first thing that counsel said when they took the podium, Your Honor, they said we -- that I omitted one of the arguments made in their motion to dismiss in the Florida court, and the argument that I omitted was that they were also asking that Florida court to rule that there were no defaults under the credit agreement, which I guess would cut down the standing of the plaintiff GLAS. I didn't intend to omit that and actually I did reference it in the papers that I filed. But to the extent I did omit it today it was for a good reason, because my estate doesn't care about whether there were defaults when the assets were transferred. Maybe it's a data point, Your Honor, but -- and, actually, it's a data point that's been ruled in our favor by Vice Chancellor Zurn.

But even putting all of that aside, under 548, the issues are was I insolvent and did I get anything back -- I was and I didn't -- or was it done with actual intent. Counsel said that I stood up here and I was silent about -- or that Your Honor shouldn't take inferences about their silence, silence on the merits, and I think that's a fair thing to say, Your Honor, except for the fact that we're not just dealing with silence, we're dealing with a statement, an admissible statement, an exception to hearsay by Riju Ravindran himself who said he put the money someplace where the lenders will never find it, that sounds pretty close to

what 548 actual intent, fraudulent transfer, is looking for.

So we're not just talking about their silence, we're talking about what they did say and what would be admissible, and what also has been admitted in the Tim Pohl declaration, Your Honor. The hundred lenders, each one of them has 1109(b) standing in this bankruptcy case and each one of them will have the ability to vote on a plan under Section 1126. So they stand -- the statement that they are bound to speak through some steering committee, one, I don't think Counsel has any insight, I don't have any insight into what internal regulations or rules that those lenders have made for themselves, but the Bankruptcy Code doesn't limit them that way.

I disagree with Counsel. I won't get into a tit-for-tat on it, Your Honor, but we disagree completely that we have all the books and records; it's not our position, it's not what we understand to be the case, Your Honor. So there certainly could be other creditors and we'll see as the proofs of claim come into this case, another benefit of the Chapter 11 case.

Your Honor, finally, again, I said I don't care about the defaults, and I mentioned it to Your Honor at the first day, there have been a year of payment defaults since the three defaults that Vice Chancellor Zurn didn't have to rule on and since the one default that Vice Chancellor Zurn

did endorse, there's been a year of payment defaults. So, to the extent that matters -- I said it doesn't matter much to me as debtor-in-possession because my filing in your Court accelerated all the loans, but to the extent that matters, there's defaults in this case.

And finally, Your Honor, this is exactly why I made that Rule 2004 argument, Your Honor, because I didn't want to be dealt with this shell game, I guess is the way to put it. He filed his objection in the adversary proceeding, I didn't see any objection to him saying that he would be subject to discovery in the adversary proceeding, but I knew that if he was going to make that argument, then I would ask Your Honor to give me the release -- this is the relief for Mr. Ravindran and under Rule 2004, we cited a case that says the pending proceeding rule is discretionary, Your Honor. I acknowledge that it's a rule that most Bankruptcy Courts look to in the first instance, but in a case like this where they're refusing to identify the location of the cash, where they've appeared in the adversary proceeding, where they're clearly acting in concert with the defendant to the adversary proceeding, I don't think they should be able to argue the pending proceeding rule.

So it's Rule 2004 or it's Federal Rules of Civil Procedure, we'd just like to serve the six interrogatories on Mr. Ravindran and as well as Camshaft because -- speculation,

and then I'll sit down -- the idea that Mr. Ravindran doesn't know where the cash is, I think that's frivolous and we all know that's not true. The idea -- Camshaft may not know, Camshaft was the IHOP hedge fund, they were probably used -- the money was probably put in them and taken out of them. They're probably not paying for counsel; if they're paying for counsel, it's with the estate's money, Your Honor. So it's Mr. Ravindran that knows the answer.

And so, with that, Your Honor, I ask for the relief.

THE COURT: Well, Mr. Cicero made the point, and I think it's a good one, that Mr. Ravindran is not a party to the adversary proceeding. So, if you're going to take discovery of him, it has to be by subpoena, you can't do it by Rule 33.

MR. FINESTONE: Acknowledged, Your Honor. Our response to that for Mr. Ravindran is what I said before, which is why we've asked, alternatively, for the authority to issue that subpoena pursuant to Rule 2004.

THE COURT: Okay. All right.

Well, this is obviously a highly unusual situation. I do have serious concerns about the location of the funds and why it hasn't been disclosed, and it leads me to have serious concerns that there's something happening that shouldn't be happening. The debtors are now before me,

I have a Court of Chancery ruling that says that Mr. Pohl controls the debtors, and he is the one who's prosecuting this case. The fact that parties may seek to dismiss the bankruptcy case or seek to dismiss the adversary proceeding, or both, is not dispositive of whether or not I can allow discovery to go forward and, given the concerns that I have, I'm going to allow that discovery to go forward, as requested by the debtors, on an expedited basis.

If there's nothing wrong here, that's going to help resolve the issues. If there is something wrong, then we're going to see where we're going and we'll have an idea of what this case is all about. So there's no reason not to produce it.

The other factor that gives me pause is the fact that the debtor -- well, before they were the debtor, before Mr. Pohl took over -- apparently transferred $533 million to a hedge fund operating out of an IHOP in Georgia, and then that money all of a sudden disappears and nobody wants to tell me where it is. I've got a problem with that.

So that's why I'm going to expedite the discovery in this case. I'll deal with the motions to dismiss in due course as they come up.

The other issue is the -- and I'm going to raise now so the parties can talk about it -- is the appeal. The Rooker-Feldman doctrine would preclude me from doing anything

with regard to that Court of Chancery order; I can't reverse it, I can't change it, I can't uphold it, that's not -- you know, Rooker-Feldman would prevent me from doing that. So my inclination would be -- and I want the parties to talk about this -- is to lift the stay to allow that appeal to go forward, so that issue can be resolved because it has to be resolved. And if the answer is, well, that's all well and good, but there's still a number of other defaults, well, we'll deal with that when we get there, but we're not there yet.

So I want the parties to meet and confer on the discovery issues, I'm going to order it this time. The last time I didn't order it, I made a suggestion. I'm going to order the parties to meet and confer about the discovery, and I'm going to order the parties to meet and confer about lifting the stay to allow the Supreme Court, the Delaware Supreme Court appeal to go forward.

Any questions? Did I miss anything or are there any questions?

MR. FINESTONE: Thank you, Your Honor. I don't -- I'm not able to suggest that Your Honor -- I'm not sure that Your Honor missed anything, but I will at least just call out, we had a proposed order attached to the motion and we'd ask the Court to enter that order.

THE COURT: I think we've got to get a date in

there. There were missing dates on it, I think. So you're going to have put dates in and then -- get a date from chambers and then -- I think there was a 14-day --

MR. FINESTONE: Status conference.

THE COURT: -- I don't know if we'll be able to make --

MR. FINESTONE: Yeah.

THE COURT: -- it might be 13, it might be 15. We'll have to figure out dates, so you'll have to contact chambers for that.

For Mr. Ravindran, you're going to have to proceed by subpoena rather than the interrogatories. And, as Mr. Cicero pointed out, Rule 45 only governs production of documents, not -- but Rule 2004 does allow for an examination, but I didn't see where you asked for an examination of Mr. Ravindran.

MR. FINESTONE: No, Your Honor, we limited it to interrogatories. So let us revise the proposed order, we'll speak to chambers about a date. We'll met and confer with them on the Ravindran issue, but otherwise, I guess, we're authorized to issue a subpoena to Mr. Ravindran.

THE COURT: Yes, you're authorized to issue the subpoena.

MR. FINESTONE: Yeah.

THE COURT: I'll give Mr. Cicero, though, the

opportunity to raise an objection to it, if he chooses to do so.

MR. FINESTONE: Okay.

THE COURT: But as you would under Rule 45, governed by Rule 45, but we'll deal with it on an expedited basis as well.

MR. FINESTONE: Thank you, Your Honor. And then we acknowledge and accept the direction to meet and confer on the stay relief. Another just call-out, on the motion to dismiss the Chapter 11 case that they filed, the second half of that brief is a request to lift the stay. And we will meet and confer with them on that and we will take Your Honor's comments in consideration. And it may be that when we respond to the papers that -- I guess all I'm saying is, it's already been submitted to the Court, the request to lift the stay, and we'll met and confer with them.

THE COURT: Yeah, I think they're request was in the alternative. So, if you agree to allow the stay to be lifted, that might resolve the motion completely, I don't know, but we'll see.

MR. FINESTONE: Thank you, Your Honor.

THE COURT: Mr. Van Tol?

MR. VAN TOL: Thank you, Your Honor, just one thing briefly. On the expedited discovery, I believe the proposed order was five calendar days. If we could ask for

five business days, just because of the coming holiday, which I think would be next Friday.

MR. FINESTONE: Well, it's -- this is your Court, Your Honor, but our response to that is, I want Mr. Ravindran's counsel to stand up here and say the money is not going anywhere in the extra two days. We made a decision to ask for five calendar days, we thought it would have been too aggressive to ask for more, Your Honor, but the money could be moving today, Your Honor. So, if they can give us some comfort, then we -- and he's looking for a stipulation, then we can wheel-and-deal; if not, we'll stick with our request to the Court.

THE COURT: Five calendar days would put us on the 23rd -- no, one, two three -- it would put us next Wednesday, the 21st. I mean, money moves quickly, they can move it, you know, right after this hearing they could move it. So I'm going to give you five business days to -- so change the order for that date. So it will be next Friday, the 23rd.

MR. FINESTONE: Thank you, Your Honor.

MR. CICERO: Just one clarification, Your Honor -- thank you and I think I understand the ruling on the subpoena part, but I'm not sure if I understood whether there's a Rule 2004 request granting or not.

THE COURT: Yes, I'm granting --

MR. CICERO: Okay.

THE COURT: -- your 2004 request to issue the subpoena, but you'll still have the opportunity to object to the subpoena, but I want that done on an expedited basis. I don't want you to wait a month --

MR. CICERO: Understood.

THE COURT: -- to file an objection. I expect an objection within a day or two after the subpoena is issued, if you have an objection.

MR. CICERO: Thank you.

THE COURT: And we'll deal with it on an expedited basis after that.

MR. CICERO: I appreciate that. Thank you.

THE COURT: All right, anything else?

(No verbal response)

THE COURT: Okay. Thank you all very much. We are adjourned.

COUNSEL: Thank you, Your Honor.

(Proceedings concluded at 2:57 p.m.)

CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling February 16, 2024

William J. Garling, CET-543
Certified Court Transcriptionist
For Reliable

/s/ Mary Zajaczkowski February 16, 2024

Mary Zajaczkowski, CET-531
Certified Court Transcriptionist
For Reliable

EXHIBIT 31

Filing # 184672782 E-Filed 10/24/2023 05:19:50 PM

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA

CASE NO.: 2023-022640-CA-01 (43)

GLAS TRUST COMPANY LLC, in its capacity as Administrative Agent and Collateral Agent,

Plaintiff,

v.

CAMSHAFT CAPITAL FUND, LP, CAMSHAFT CAPITAL ADVISORS, LLC, CAMSHAFT CAPITAL MANAGEMENT, LLC, and JOHN DOE,

Defendants.
____/

JOINT INITIAL CASE MANAGEMENT CONFERENCE REPORT

In conformity with Florida Rule of Civil Procedure 1.201(b) and this Court's Order dated September 11, 2023 setting an Initial Case Management Conference, Plaintiff GLAS Trust Company, LLC ("GLAS") and Defendants Camshaft Capital Fund, LP, Camshaft Capital Advisors, LLC, and Camshaft Capital Management, LLC (collectively, "Camshaft," and, together with GLAS, the "Parties") submit this Joint Initial Case Management Conference Report, and state as follows.

A. Brief factual statement of the action, which includes the claims and defenses.

Plaintiff's Position

This action arises from GLAS's efforts to expeditiously recover over half a billion dollars in fraudulently-transferred funds from their recipients, the three Camshaft Defendants and the yet-to-be-identified John Doe Defendant(s). As set forth in GLAS's Complaint, shortly after defaulting on over $1 billion in loans (which remains due and outstanding today), the borrower BYJU's Alpha ("Borrower") made five transfers totaling $533 million—over 80% of its assets—

to Camshaft. Camshaft is a high-risk and unknown hedge fund founded in 2020 by William C. Morton, a 23-year old with no formal training in investing and money management, and which originally ran its business out of an IHOP in Little Havana. There was no legitimate reason for Borrower's transfers. They were made with the intent to frustrate and defraud the Lenders. Borrower was insolvent at the time of the transfers, or rendered insolvent as a result of the transfers; and it did not receive any value, and certainly not reasonably equivalent value, in exchange for the $533 million. The purpose of the transfers was for Borrower to hide the money from its creditors, *not* to generate an investment return, as the Camshaft Defendants claim in their position statement below.

Additionally, it is unclear whether the $533 million remains at Camshaft today. That information has been concealed from GLAS, and is one of the subjects of GLAS's outstanding discovery requests to the Camshaft Defendants. Assuming the money has moved, which discovery will reveal, the John Doe Defendant(s), the purported new beneficial owner(s) of those funds (or the limited partnership interest in Camshaft Capital Fund, a hedge fund, acquired on account of those funds), should be identified and formally added as defendant(s) to this action.

As it stands, through its current Complaint, GLAS brings this action: (i) to avoid and enjoin the actually and constructively fraudulent transfers of $533 million to Camshaft Capital Fund (**Counts I-II**); (ii) to avoid and enjoin any and all above-market management and incentive fees paid by or on account of BYJU's Alpha to the Fund's investment manager and general partner, Defendants Camshaft Capital Advisors and Camshaft Capital Management, respectively (**Count III**); and (iii) upon receipt of discovery, if appropriate, to avoid and enjoin the actually and constructively fraudulent transfers to the John Doe Defendant(s).

Finally, with respect to Defendants' Position below, as set forth in *Plaintiff's Combined*

Opposition to the Camshaft Defendants' Motion to Dismiss and Motion to Transfer [D.I. 49], GLAS has unequivocally stated claims for actual and constructive fraudulent transfer. Cognizant that GLAS's claims will proceed on the merits, Camshaft relies upon numerous scattershot procedural defenses to stall this litigation from moving forward. Those arguments are fundamentally flawed. They misunderstand Florida fraudulent transfer law, ignore binding Florida precedent, and should be flatly denied, all as set forth in GLAS's Opposition.

Defendants' Position

GLAS's Complaint purports to ask the Court to seize $533 million in assets owned by BYJU'S Alpha, Inc. ("BYJU's")—a non-party to this litigation—invested into Camshaft Capital Fund, LP, based on statutory fraudulent transfer claims that require Plaintiff to prove, among other things, that BYJU's is "liable" to GLAS. § 726.102 (4), (7), Fla. Stat. But GLAS has failed to name BYJU's as a defendant in this lawsuit. As its counsel admitted at the October 3, 2023 hearing, ***GLAS has not even sued BYJU's*** in any court for breach or default of the Credit Agreement, nor has it sued BYJU's itself for fraudulent transfer, "[b]ecause it has not decided to exercise that remedy yet." (*See* Oct. 3 Oral Arg. Tr. at 29:17-18.)

Florida law does not empower a Court to seize assets owned and invested by a non-Party, on behalf of other anonymous lenders, based on alleged breaches of the Credit Agreement which GLAS has not provided to the Court (and which Defendants are not parties to). Instead, this lawsuit is merely a vehicle for evading courts, like Delaware, that have already considered discovery requests similar to the requests GLAS is making here and rejected them, as well as attempting to improperly obtain the discovery sought in this case for the improper purpose of pressuring non-party BYJU's in business negotiations. That is not a proper use of the Florida courts, and this Court should dismiss Plaintiff's Complaint for its numerous pleading deficiencies,

and stay discovery until the Court rules on the Motion to Dismiss.

First, Plaintiff lacks standing to assert its claims because it does not stand in the position of a creditor. It does not have a "claim" within the meaning of Florida's fraudulent transfer statutes, and it is not pursuing such a claim against BYJU's in any litigation. Moreover, Plaintiff pleads that the Credit Agreement between BYJU's and various creditors is the basis for this action, yet the Credit Agreement is repugnant to the Complaint and the relief sought. Plaintiff's failure to attach the Credit Agreement is itself an additional cause for dismissal.

Second, Plaintiff has failed to join an indispensable party to this litigation—BYJU's—which, unlike Defendants, is the alleged debtor and party to the Credit Agreement.

Third, this case is governed by mandatory New York forum selection and choice of law provisions, and thus this lawsuit has been filed in an improper forum.

Fourth, notwithstanding these threshold deficiencies, each of Plaintiff's claims against Camshaft for fraudulent transfer fail as a matter of law on multiple bases. Moreover, pursuant to the terms of the Credit Agreement entered into by BYJU's and its lenders, BYJU's is explicitly permitted to use the loaned monies to make investments.

For these reasons, and others, the Court should dismiss Plaintiff's Complaint with prejudice.

B. Brief statement on the theory of damages by any party seeking affirmative relief.

Plaintiff's Position

As set forth in the Complaint, in Counts I-IV, GLAS asserts four causes of action for: (1) avoidance and injunction of actual fraudulent transfer against Camshaft Capital Fund and John Doe under §726.105(1), Fla. Stat. (**Count I**); (2) avoidance and injunction of constructive fraudulent transfer against Camshaft Capital Fund under §§726.105(1)(b) and 726.106(1), Fla. Stat. (**Count II**); (3) avoidance of constructively fraudulent transfer against Camshaft Capital

Advisors and Camshaft Capital Management under §§726.105(1)(b) and 726.106(1), Fla. Stat. (**Count III**); and (4) avoidance of constructively fraudulent transfer against John Doe under §§726.105(1)(b) and 726.106(1), Fla. Stat. (**Count IV**). In Counts I-IV, GLAS also requests declarations that the transfers were fraudulent under the Florida Uniform Fraudulent Transfer Act.

Defendants' Position

Defendants are not seeking affirmative relief at this time, but reserve the right to seek relief for this improper use of process and other claims.

C. Likelihood of settlement.

The Parties believe it is difficult to assess the likelihood of settlement at such an early stage of the litigation, and that settlement discussions at this time are premature. The Parties agree that all settlement discussions will be made in good faith, and the Parties will inform the Court if any settlement is reached.

D. Likelihood of appearance in the action of additional parties and identification of any nonparties to whom any of the parties will seek to allocate fault.

Plaintiff's Position

GLAS anticipates that discovery in this matter may lead to the identification of the John Doe Defendant(s) and potentially other entities who should be brought into this litigation as defendants. Accordingly, GLAS may seek to amend its Complaint to add those additional parties, including other parties involved in any transfers related to some or all of the $533 million or any asset on account of the $533 million.

Defendants' Position

Defendants have moved to dismiss Plaintiff's Complaint for, among other reasons, failure to attach the underlying agreement which is the basis of Plaintiff's case, the Complaint is repugnant to the underlying agreement; lack of standing, improper venue, failure to join an indispensable

party, failure to adequately plead its claims, and failure to properly sue the underlying borrower BYJU's in any court for breach or default of the Credit Agreement at issue, or as a fraudulent transferor. In short, GLAS is seeking to have a trial within a trial by attempting to prove that BYJU's is a fraudulent transferor, and seizing BYJU's funds without BYJU's even being present to defend itself.

E. Proposed limits on the time: (i) to join other parties and to amend the pleadings, (ii) to file and hear motions, (iii) to identify any nonparties whose identity is known, or otherwise describe as specifically as practicable any nonparties whose identity is not known; (iv) to disclose expert witnesses; and (v) to complete discovery.

Plaintiff's Position

GLAS's position on these dates, in addition to subsequent dates, is set forth in the proposed Scheduling Order attached hereto as Appendix A.

GLAS's proposed Scheduling Order is built on three principal pillars: (i) a November 14, 2023 deadline by which Camshaft must respond to the outstanding discovery and complete its document productions in response to GLAS's outstanding targeted requests,[1] (ii) a December 22,

[1] GLAS served targeted interrogatories and document requests on Camshaft concurrently with service of its Complaint. Camshaft Capital Fund ("Camshaft Fund") was served on September 11, 2023 [D.I. 28], Camshaft Capital Advisors ("Camshaft Advisors") was served on September 20, 2023 [D.I. 32], and Camshaft Capital Management ("Camshaft Management") was served on September 22, 2023 [D.I. 38]. In particular, GLAS served Legalinc, Camshaft Fund's then-publicly-designated registered agent with the Delaware Secretary of State; and any mistake by Camshaft Fund in designating Legalinc is not a legally valid excuse to avoid service (*i.e.*, Camshaft Fund must be held accountable for the consequences of its own mistake). Mot. to Compel [D.I. 30] at 9-11. Accordingly, Camshaft has had GLAS's discovery requests for >1.5 months, and the discovery response deadlines are October 26, 2023 (Camshaft Fund), November 6, 2023 (Camshaft Advisors), and November 8, 2023 (Camshaft Management).

But Camshaft blatantly refuses to comply with those deadlines. On October 17 and 20, 2023 calls to discuss this Report, Camshaft's counsel: (i) said Camshaft Fund disputed service on September 11th, (ii) after first refusing to take a definitive position on whether they would be moving to stay, acknowledged that there was a "99.9%" chance that the Camshaft Defendants in fact would move to stay discovery on or before November 6, 2023, and *not* respond to discovery while the motion was pending (*even though* there is no "bridge order" excusing Camshaft's discovery responses while its motion is pending), and (iii) in response to GLAS's request, refused to discuss Camshaft's search parameters to identify responsive documents at this time.

2023 deadline (approximately one month after the receipt of documents from Camshaft) for GLAS to amend its initial Complaint to add new claims and parties, including identifying the John Doe Defendant(s), based on its receipt of the aforementioned discovery, and (iii) trial in approximately one year from the date of amendment (here, beginning on or around mid-to-late-January 2025, which is 16 months post-commencement of this case and consistent with Administrative Order No. 21-09's guidance that complex civil cases be tried "*no later than* 24 months after designated as complex"). *The first two pillars are* *__very__* *important to GLAS:* As GLAS will be prepared to explain to the Court, obtaining targeted discovery from Camshaft on the outstanding discovery requests is a **__key gating item__** to this case moving forward on the merits, including GLAS amending its Complaint and identifying the John Doe Defendant(s). Without that discovery, it will be challenging for this case to proceed on the merits. Therefore, any case schedule should ensure that Camshaft expeditiously produces discovery in response to the discovery requests that were served in mid-September 2023, over six weeks ago.

In contrast, Camshaft's proposed Scheduling Order (attached hereto as __Appendix B__) builds to a trial in September 2025, months after GLAS's proposed trial in January 2025. At this time, GLAS believes that Camshaft's proposal is unnecessarily long—Administrative Order No. 21-09 assumes that complex civil cases "typically involve more than 20 witnesses," which GLAS, at this time, does not expect to be the case here—and expects the Parties can move discovery forward

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This Court should not countenance such tactics. Camshaft should have filed its motion to stay weeks ago, having told this Court that it was going to move to stay at the October 3rd discovery hearing and again in its October 10th motion to dismiss. Mot. to Dismiss [D.I. 47] at 2. Had Camshaft timely filed a motion to stay, that motion could already have been resolved, *before* Camshaft's discovery responses came due. The only explanation for why Camshaft sat its motion is it wanted to buy itself more time, in the event the Court ultimately denied their motion, as it should. As Camshaft's counsel has said, "[o]bviously, I think it's important to follow the rules." 10/3/2023 Hr'g Tr. at 13:23-24. The Court should require Camshaft to follow the rules.

expeditiously, especially with Camshaft's upfront production of discovery in response to outstanding requests. Nonetheless, if the Court were to consider Camshaft's proposal, GLAS believes that five primary modifications should be made to its proposed schedule:

- A November 14, 2023 deadline should be added for Camshaft to respond to outstanding discovery and complete its document productions. Only then can deadlines for joining additional parties and amending the Complaint be set.
- A September 27, 2024 deadline should be added for the Parties to exchange preliminary lists of "will call" or "may call" witnesses (other than any experts) in order to ensure that the Parties will have had the opportunity to depose all prospective trial witnesses.
- The structure of expert disclosures should be changed. The Court should implement a standard, two-part expert-disclosure schedule: the Parties mutually disclose any opening experts on the same date (January 20, 2025) and then the Parties mutually disclose any rebuttal experts on the same date (March 17, 2025). In contrast, Camshaft has devised an expert schedule that unfairly gives it preferential treatment over GLAS. Under Camshaft's schedule, GLAS is required to disclose its experts first. Then, Camshaft receives *two* opportunities to designate responsive/rebuttal experts, as compared to just one opportunity for GLAS. Camshaft also receives more than double the time that GLAS gets to designate responsive/rebuttal experts. That atypical schedule is simply unequal and unfair.
- The Parties have proposed different pretrial deliverables and should be required to meet and confer about what should be filed with the Court in advance of trial.
- GLAS is willing to consider a compromise position of a trial in spring 2025.

Alternatively, rather than resolve the Parties' competing Scheduling Orders at this time, GLAS requests that this Court set two interim deadlines—for Camshaft to complete its discovery responses, including document productions, in response to the outstanding discovery and then for GLAS to amend its Complaint and add claims/join parties—and defer consideration of a full scheduling order until GLAS files its Amended Complaint. That will enable the current Parties to refine their views on an appropriate schedule, and further will allow any newly-added parties under any Amended Complaint to participate in scheduling discussions.

Defendants' Position

Defendants' position on these dates, in addition to subsequent dates, is set forth in the proposed Scheduling Order attached hereto as Appendix B.

Defendants' proposed trial date in September 2025 is based on the Eleventh Judicial Circuit's Administrative Order No. 21-09, available at 10122459346-ADMINISTRATIVE ORDER NO. 21-09.pdf (flcourts.org), which provides for trial within 24 months following a civil case's designation as complex.

In contrast, Plaintiff proposes that the Court not even enter a trial order at this time, and instead set a discovery deadline applying to Defendants of November 14, 2023 (or one week following the Case Scheduling Conference). This is unreasonable for three reasons. First, as Defendants have stated in their Motion to Dismiss and in the prior Court hearing, Defendants will move for a stay of discovery pending the case-dispositive issues raised in the Motion, which will be pending at the time of the Case Scheduling Conference. Second, Plaintiff's proposal misstates the applicable response date for Defendants to object or respond to the requests based on the applicable service date.[2] And third, Plaintiff's position further illustrates that the thrust of this action is not a set a trial, or sue BYJU's for breach of contract to obtain a judgment establishing Plaintiff's entitlement to the funds, but instead to obtain discovery that Plaintiff otherwise would not be entitled to in the prior pending litigations, in other fora, between Plaintiff and BYJU's—the actual party in interest and beneficial owner of the more than $500M in investments that Plaintiff seeks to seize in this litigation.

Plaintiff's effort to short-circuit suing BYJU's to establish entitlement to the funds presents numerous legal issues that will require gatekeeping by the Court at the pleading stage, and failing that, at summary judgment, especially to establish whether Plaintiff has standing, and whether or

[2] Plaintiff relies on an ineffective service date of Sept. 11, 2023 (as raised in Defendants' Motion to Vacate Ex Parte Order and not the corrected service of process on CT Corporation on September 20, 2023. That latter date yields a response date under the Florida Rules of Civil Procedure of November 6, 2023, but as stated above, Defendants intend to move for a Stay of Discovery which will be pending prior to that date.

when Plaintiff must add additional indispensable parties such as BYJU's. Given the complexity of those issues, the half-billion-dollar amount in controversy, and the pendency of this litigation in the Complex Division, Defendants request that the Court set a trial date in line with the two-year guidelines set forth in the Administrative Order No. 21-09.

F. Names of the attorneys responsible for handling the action.

The attorneys responsible for handling this action on behalf of GLAS are Marcos D. Jiménez, Esq., Andrew Zaron, Esq., and Diego Pérez Ara, Esq. of León Cosgrove Jiménez, LLP; and Richard U.S. Howell, P.C. and Ravi Subramanian Shankar, Esq. of Kirkland & Ellis LLP.

The attorneys responsible for handling this action on behalf of Defendants are David Massey, Esq. and Marty Steinberg, Esq. of Hogan Lovells US LLP.

G. Necessity of a protective order to facilitate discovery.

The Parties expect that a protective order will be necessary to facilitate discovery. The Parties have started preparing a proposed protective order that will be submitted to the Court for consideration.

H. Proposals for the formulation and simplification of issues, including the elimination of frivolous claims or defenses, and the number and timing of motions for summary judgment or partial summary judgment.

The Parties agree to confer with each other to explore potential simplification and streamlining of the issues, including the elimination of frivolous claims or defenses. Defendants have filed a Motion to Dismiss, which remains pending and to which GLAS has responded. The Parties do not know at this time if any motions for summary judgment or partial summary judgment will, or should, be filed in this case. As for timing, the Parties anticipate that after all fact and expert discovery has been conducted and before the final pre-trial conference, all motions for summary judgment will have been filed and heard by the Court, subject to the Court's schedule.

I. Possibility of obtaining admissions of fact and voluntary exchange of documents and electronically stored information, stipulations regarding authenticity of documents, electronically stored information, and the need for advance rulings from the court on admissibility of evidence.

The Parties agree to work with one another regarding authenticity of documents and in formulating proper protocols and search terms related to electronically stored information. The Parties do not expect a voluntary exchange of documents. At this time, the Parties do not expect any need for advance court rulings on the admissibility of evidence, but will advise the Court if that changes.

J. Possibility of obtaining agreements among the parties regarding the extent to which such electronically stored information should be preserved, the form in which such information should be produced, and whether discovery of such information should be conducted in phases or limited to particular individuals, time periods, or sources.

As stated previously, the Parties agree to work with one another regarding authenticity of documents and in formulating proper protocols and search terms related to electronically stored information. The Parties believe it is appropriate to use an e-discovery platform, and the exchange of load files such that relevant metadata is preserved, when possible, and production, review, and document control is made simpler. The Parties agree to work with one another regarding the appropriate scope, custodians, and sources of data.

K. Suggestions on the advisability and timing of referring matters to a magistrate, master, other neutral, or mediation.

At this time, the Parties do not believe that there is a need for a referral to a magistrate or master, but reserve the right to request a referral during the course of the litigation.

The Parties do not currently intend to participate in any mediation conference.

L. Preliminary estimate of the time required for trial.

The Parties cannot determine at this time the number of days that will be required for trial.

M. Requested date or dates for conference before trial, a final pretrial conference, and trial.

The Parties refer to their respective proposed Scheduling Orders, attached hereto as Appendix A (Plaintiff) and Appendix B (Defendants).

N. Defendants' position on these dates is set forth in the proposed Scheduling Order appended hereto. Description of pertinent documents and a list of fact witnesses the parties believe to be relevant.

Plaintiff's Position

As stated previously, the instant dispute relates to fraudulent money transfers involving Camshaft. The relevant documentation would include, but is not limited to, the following categories:

- communications between Defendants, on one hand, and Borrower, its former corporate parents and affiliates (as defined in GLAS's discovery requests and who collectively do business under the trade name "BYJU's"), or their representatives, on the other hand;
- documentation concerning any money transfer between or among Borrower or BYJU's, on the one hand, and Defendants, one the other hand;
- account records (*e.g.*, capital account statements, custodial statements, financial statements, and statements of management fees, transaction fees, placement fees, and expenses) associated with Borrower, BYJU's, or any money transfer;
- records of confirmations, transfers, assignments, re-titlings, subscriptions, contributions, withdrawals, redemptions and other transactions associated with any of Borrower, BYJU's, or any money transfer;
- documents and communications concerning the relationship between Defendants or William C. Morton, on the one hand, and Borrower, BYJU's, or their representatives, on the other hand;
- agreements entered into between Defendants, on the one hand, and Borrower, BYJU's, or their representatives, on the other hand;
- term sheets, presentations, letters, legal documents, and offering materials exchanged between Defendants or their representatives, on the one hand, and Borrower, BYJU's, or their representatives, on the other hand;
- documents and communications concerning any direct or indirect investments, dispositions, or transfers made by Defendants or any of their representatives or affiliates to BYJU's or its representatives or its affiliates; and
- documents demonstrating the organizational, ownership, and control structure of Defendants, as well as documents memorializing the terms of the limited partnership interests held in Camshaft Capital Fund, LP and/or its general partner and investment manager.

The relevant factual witnesses would include, but are not limited to, the following persons: (i) Camshaft Capital Fund, LP's corporate representative; (ii) Camshaft Capital Advisors, LLC's corporate representative; (iii) Camshaft Capital Management, LLC's corporate representative; (iv) William C. Morton (Camshaft's founder and "[k]ey [p]erson"); (v) various other current/former employees of Defendants; (vi) various current/former employees and representatives of BYJU's; (vii) certain representatives of GLAS; (viii) various authenticating witnesses; and (ix) any others identified in discovery.

With respect to Defendants' Position, GLAS states that Camshaft has included numerous topics for discovery that are not relevant to the elements of a fraudulent transfer claim under the Florida Uniform Fraudulent Transfer Act, and which continue to reflect Camshaft's failure to grasp the statute. GLAS will be prepared to object to any irrelevant and tangential discovery at the appropriate time.

Defendants' Position

As stated previously, Defendants' position is that this is a specious lawsuit, and Plaintiff's Complaint should be dismissed with prejudice for the reasons stated in Defendants' Motion to Dismiss. If the case does proceed, then relevant discovery on merits issues would include, without limitation:

- Documents regarding the underlying transactions that are the basis for the claims, and any other documents establishing the basis for Plaintiff to enforce the claims in its Complaint;
- Records regarding the identities of "creditors" the Plaintiff represents and Plaintiff's communications with the "anonymous lenders" it claims to represent;
- All communications concerning BJYU's in connection with the Credit Agreement and the filing of this lawsuit;
- All communications concerning Defendants and the filing of this lawsuit;
- Plaintiff's communications and documents concerning (1) the creditors including but not limited to the "anonymous lenders" in relation to (a) the BJYU parties; (b) the Credit Agreement and underlying transaction documents and (c) the filing of this lawsuit;

- Plaintiff's communications and documents related to negotiations that resulted in the Credit Agreement;
- All documents that comprise the transactional documents related to the Credit Agreement;
- All Documents establishing the basis for Plaintiff's claim that BYJU's investment with Camshaft was disallowed under the Credit Agreement;
- Documents relating to any purported creditor represented by Plaintiff and whether they are dealers in distressed debt in a manner contrary to the Credit Agreement;
- Documents relating to whether the purported creditors represented by Plaintiff hold short bond or other financial positions involving BYJU's or any of its affiliates;
- Documents establishing that Plaintiff has not sued BYJU's for breach or default of the Credit Agreement or for fraudulent transfer, and why Plaintiff "has not decided to exercise that remedy yet";
- All documents related to any attempt to (1) obtain the collateral that supports the Credit agreement; and/or (2) enforcing any guaranty associated with the Credit agreement; and
- Documents relating to Plaintiff's due diligence employed prior to bringing this action and whether it meets the elements for malicious prosecution or abuse of process.
- The relevant factual witnesses would include, but are not limited to, the following persons:

(i) corporate representative of GLAS; (ii) corporate representatives of any creditor, including but not limited to the "anonymous lenders," (iii) authenticating witnesses; and (iv) any others identified in discovery.

O. Number of experts and fields of expertise.

The Parties cannot determine at this time the number of experts that will be involved.

P. Any other information that might be helpful to the court in setting further conferences and trial date.

None at this time.

Dated: October 24, 2023

Respectfully submitted,

***For Plaintiff*:**

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CERTIFICATE OF CONFERRAL

I hereby certify that I have personally conferred in good faith with Defendants and have incorporated their positions herein.

Andrew D. Zaron
Andrew D. Zaron

CERTIFICATE OF SERVICE

I hereby certify that on October 24, 2023, a true and correct copy of the foregoing was served via the Florida Courts E-Filing Portal to all counsel of record.

Andrew D. Zaron
Andrew D. Zaron

APPENDIX A

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

CASE NO.: 2023-022640-CA-01 (43)

GLAS TRUST COMPANY LLC, in its capacity as Administrative Agent and Collateral Agent,

Plaintiff,

v.

CAMSHAFT CAPITAL FUND, LP, CAMSHAFT CAPITAL ADVISORS, LLC, CAMSHAFT CAPITAL MANAGEMENT, LLC, and JOHN DOE,

Defendants.
____/

[PLAINTIFF'S PROPOSED] SCHEDULING ORDER SETTING
TRIAL DATE AND PRETRIAL SCHEDULE

THIS CAUSE is set for trial during the Court's trial calendar beginning in **January 2025**. The Final Pretrial Conference will be held at [time, day, in **December 2024**]. The Calendar Call will be held at [time, day, in **January, 2025**]. The Parties shall adhere to the following schedule subject to further order of the Court, though the Parties may move the deadlines set in Sections 1-8 hereof by mutual agreement:

1. Camshaft Defendants to complete discovery responses, including document productions, in response to the interrogatories and document requests served concurrently with the Complaint by **November 14, 2023**.[3]

2. Plaintiff to file any Amended Complaint, adding additional claims and/or joining additional parties, following the completion of aforementioned discovery responses, by **December**

[3] This deadline assumes that the Camshaft Defendants do not withhold documents responsive to Plaintiff GLAS Trust Company LLC's document requests based on one or more objections. If the Camshaft Defendants do withhold documents, then that will extend all subsequent dates in this proposed Scheduling Order.

22, 2023.

3. Parties to mutually exchange expert witness designations by **June 17, 2024**.

4. Parties to mutually exchange preliminary lists of "may call" or "will call" witnesses (other than rebuttal experts) by **July 19, 2024**.

5. Parties to mutually exchange rebuttal expert witness designations (for the avoidance of doubt, such experts will be limited to providing only opinions rebutting an opinion elicited by another party's expert) by **August 9, 2024**.

6. Fact discovery shall be completed by **August 23, 2024**.

7. Expert discovery shall be completed by **September 20, 2024**.

8. Dispositive motions, including those regarding summary judgment and *Daubert*, must be filed by **October 15, 2024**.

9. Mediation shall be set by **October 31, 2024**.

10. All pretrial motions and memoranda of law, including motions *in limine*, must be filed by **November 15, 2024**.

11. Final pretrial conference report with pretrial stipulation, proposed joint verdict form, proposed findings of fact and conclusions of law and final exhibit and witness lists shall be filed **December 6, 2024**.

12. Mediation shall be completed by **December 13, 2024**.

APPENDIX B

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

CASE NO. 2023-022640-CA-01 (43)

GLAS TRUST COMPANY LLC, in its capacity as Administrative Agent and Collateral Agent,

Plaintiff,

v.

CAMSHAFT CAPITAL FUND, LP, CAMSHAFT CAPITAL ADVISORS, LLC, CAMSHAFT CAPITAL MANAGEMENT, LLC, and JOHN DOE,

Defendants.

_______________________________________/

[DEFENDANTS' PROPOSED] SCHEDULING ORDER SETTING
TRIAL DATE AND PRETRIAL SCHEDULE

THIS CAUSE is set for trial during the Court's trial calendar beginning in **September 2025**. The Calendar Call will be held at [time, day, in **August 2025**]. A Status Conference will be held at [time, day, in **July 2025**]. The parties shall adhere to the following schedule:

1. Joinder of any additional parties by **December 29, 2023**
2. Filing of motions to amend the complaint by **January 31, 2024**
3. Fact discovery shall be completed by **November 29, 2024**
4. Selection of Mediator due by **November 29, 2024**
5. Plaintiff(s) shall disclose experts, expert witness reports and information identified in Florida Rule of Civil Procedure 1.280(b)(5) by **January 5, 2025**
6. Defendant(s) shall disclose experts, expert witness reports and information identified in Florida Rule of Civil Procedure 1.280(b)(5) by **February 24, 2025**
7. Exchange of rebuttal expert witness reports and information identified in Florida Rule of Civil Procedure 1.280(b)(5) due by **March 17, 2025**

8. Expert discovery shall be completed by **April 15, 2025**

9. Dispositive motions, including those regarding summary judgment and *Daubert*, must be filed by **May 15, 2025**

10. Mediation shall be completed by **May 1, 2025**

11. All pretrial motions and memoranda of law must be filed by **May 15, 2025**

12. Motions in limine must be filed by **June 2, 2025**

13. Joint pretrial stipulation, proposed joint jury instructions, proposed joint verdict form, and/or proposed findings of fact and conclusions of law must be filed by **August 5, 2025**

EXHIBIT 32

Filing # 188156005 E-Filed 12/15/2023 04:45:43 PM

IN THE CIRCUIT COURT OF THE 11TH JUDICIAL CIRCUIT IN AND FOR MIAMI-DADE COUNTY, FLORIDA

CAMSHAFT CAPITAL FUND, LP, CAMSHAFT CAPITAL MANAGEMENT, LLC, and CAMSHAFT CAPITAL ADVISORS, LLC,

Plaintiffs,

v.

BYJU's Alpha, Inc.,

Defendant.

COMPLEX BUSINESS LITIGATION DIVISION

CASE NO. 2023-027523-CA-01

CORRECTED COMPLAINT[1]

Plaintiffs Camshaft Capital Fund, LP ("Camshaft Capital Fund"), Camshaft Capital Management, LLC ("Camshaft Capital Management"), and Camshaft Capital Advisors, LLC ("Camshaft Capital Advisors" and, together with Camshaft Capital Fund and Camshaft Capital Management, collectively "Camshaft") bring the following action (the "Complaint") against Defendant BYJU's Alpha, Inc. ("BYJU's" or "Defendant") and allege as follows:

INTRODUCTION

1. This is an action for declaratory relief arising out of (i) the status of BYJU's as a former limited partner of Camshaft Capital Fund as of the first quarter of 2023, at which time BYJU's transferred all of its investment interest as a limited partner in Camshaft Capital Fund to a third party; (ii) the appointment of Mr. Timothy R. Pohl ("Mr. Pohl") as the sole director and officer of BYJU's; and (iii) Mr. Pohl's November 20, 2023, demand that Camshaft provide certain very broad categories of books and records of Camshaft, despite the fact that BYJU's is no longer

[1] Camshaft submits this Corrected Complaint to revise a scrivener's error regarding the state of incorporation for Defendant and three typographical errors in paragraphs 3, 10, and 66. The remainder of the Corrected Complaint remains unchanged from the initial Complaint filed on December 4, 2023 (Dkt. No. 2).

a limited partner of Camshaft Capital Fund.

2. Camshaft is in doubt as to the existence or non-existence of its rights under contract, as well as Camshaft's absence of any statutory obligations with respect to BYJU's demand for books and records under Delaware law.

3. More specifically, Camshaft is in doubt as to the absence of any statutory obligations it may have to disclose books and records information to BYJU's, a former limited partner of Camshaft Capital Fund, because BYJU's has transferred all of its investment interest to another entity, resulting in BYJU's having a zero-balance capital account in Camshaft Capital Fund, thereby terminating its relationship with Camshaft. *See Greenhouse v. Polychain Fund I LP*, No. CV 2018-0214-JRS, 2019 WL 2290245, at *4-5 (Del. Ch. May 29, 2019) (holding that the plaintiff had no standing to seek books and records under 6 Del. C. § 17-305 because the plaintiff was no longer a limited partner and the statute "affords . . . no right to former limited partners to inspect a partnership's books and records.").

4. Likewise, Camshaft is in doubt as to any contractual (or statutory) rights it may have to refuse to disclose books and records to BYJU's as a former limited partner of Camshaft Capital Fund.

5. Camshaft is entitled to have such doubt removed.

6. BYJU's takes the position that it is entitled to control and access of the Camshaft books and records that it seeks.

7. BYJU's has stated in writing that if it does not receive such books and records, despite being a former limited partner, it will "seek appropriate relief to the fullest extent permitted under law" against Camshaft. Demand Letter from Timothy R. Pohl to Camshaft dated November 20, 2023, at 3 (hereinafter the "Demand Letter") (attached as Exhibit "A").

8. BYJU's position is clear: despite the lack of any statutory or contractual rights as a former limited partner, it intends to file a lawsuit in a misguided attempt to vindicate purported rights that do not exist.

9. This is not a new dispute. Mr. Pohl is the hand-selected agent of GLAS, which previously brought a suit to achieve a similar goal: to obtain third-party Camshaft records without a proper basis. Camshaft has resisted these improper methods to attempt to obtain records of a third party when BYJU's has not been held to have made a fraudulent transfer under the terms of the Credit Agreement. As the Court will recall, GLAS, sought similar relief that Mr. Pohl is now seeking. GLAS and Mr. Pohl's objectives have not changed but merely are now wrapped in a different tactic. Attempting to access this information through BYJU's, a former limited partner of Camshaft Capital Fund, that has no right to Camshaft's records.

THE PARTIES

10. Plaintiff Camshaft Capital Fund is a Pooled Investment Vehicle operating as a hedge fund. Camshaft Capital Fund is a limited partnership organized and existing under the laws of the State of Delaware (File No. 3441752) with its principal place of business at 16850 Collins Avenue, #112408, Sunny Isles Beach, Florida 33160.

11. Plaintiff Camshaft Capital Management is the General Partner for Camshaft Capital Fund. Camshaft Capital Management is a limited liability company organized and existing under the laws of the State of Florida, with its principal place of business at 16850 Collins Avenue, #112408, Sunny Isles Beach, Florida 33160.

12. Plaintiff Camshaft Capital Advisors is an investment management firm that services institutional clients. Camshaft Capital Advisors is a limited liability company organized and existing under the laws of the State of Florida, with its principal place of business at 16850

Collins Avenue, #112408, Sunny Isles Beach, Florida 33160.

13. Defendant BYJU's is a special-purpose financing vehicle in the business of designing and developing education software solutions. BYJU's is a corporation organized and existing under the laws of the State of Delaware.

14. BYJU's is a former limited partner of Camshaft Capital Fund.

15. BYJU's was never a limited partner or member of Camshaft Capital Management or Camshaft Capital Advisors.

JURISDICTION AND VENUE

16. This Court has subject matter jurisdiction over this action under Florida Statute Section 86.011, as this Court has jurisdiction to enter declaratory judgments.

17. This is an action in which the amount in controversy exceeds seven hundred and fifty thousand dollars ($750,000.00), exclusive of interest and costs to which Camshaft would be entitled, and is otherwise within the subject matter jurisdiction of this Court.

18. This Court has personal jurisdiction over BYJU's because BYJU's negotiated and entered into a partnership relationship in Florida and with Florida-based entities.

19. Venue is proper in Miami-Dade County, Florida, because, among other things, Section 11.03 of the Second Amended and Restated Limited Partnership Agreement (Revised) of Camshaft Capital Fund, LP (hereinafter the "LPA") that is implicated in this lawsuit provides: "Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the ***State of Florida*** . . . ." (emphasis added).

FACTUAL ALLEGATIONS

I. *BYJU's Former Partnership Relationship with Camshaft Capital Fund*

20. In April and July 2022, BYJU's made certain investments in Camshaft Capital Fund totaling $533 million (the "Investment").

21. As a result, BYJU's became a limited partner in Camshaft Capital Fund.

22. While BYJU's was a limited partner of Camshaft Capital Fund, BYJU's rights and obligations as to the Investment were governed by the LPA, as well as the Delaware Statutes, including the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. § 17-101 *et seq*.

23. Further, the LPA is governed by Delaware law, but the jurisdictional provision of the LPA provides that actions pertaining to enforcement of any provisions or rights under the agreement must be brought in the courts of the State of Florida.

24. BYJU's is no longer a partner of Camshaft Capital Fund and, therefore, BYJU's has no rights to inspect Camshaft's books and record.

II. *BYJU's Transfers All of Its Interest in Camshaft Capital Fund to a Third Party*

25. In the first quarter of 2023, and prior to Mr. Pohl's appointment as a director of BYJU's, BYJU's transferred one hundred percent of its interest in Camshaft to a third party pursuant to the terms of the LPA.

26. As of the date of the transfer, BYJU's has a zero-balance capital account, thus terminating its Investment and making it a ***former*** limited partner of Camshaft Capital Fund.

III. *BYJU's Demand For Camshaft's Books and Records and Camshaft's Refusal to Comply with the Request*

27. On November 20, 2023, approximately three quarters ***after*** the transfer of all of BYJU's interest in Camshaft Capital Fund to a third party, Mr. Pohl, representing himself as the sole director, chief executive officer, and secretary of BYJU's, sent a Demand Letter to Camshaft

asserting ***fifteen*** very broad document requests and demanding that a wide array of Camshaft's books and records be provided to BYJU's within five (5) business days. Ex. A at 1–3. These requests are similar to those submitted to this Court by GLAS.

28. Mr. Pohl, as representative of BYJU's, states in the Demand Letter that BYJU's is entitled to access and control of Camshaft's books and records regarding the Investment under "contractual and legal rights, including Section 17-305 of the Delaware [L]imited [P]artnership [A]ct." Ex. A at 1. That is Mr. Pohl's sole statutory basis for demanding books and records from Camshaft.

29. Subsequently, on December 4, 2023, Camshaft, through undersigned counsel, sent a response letter to BYJU's counsel and Mr. Pohl (the "Response Letter") (attached here to as Exhibit "B"), notifying BYJU's that as a former limited partner of Camshaft Capital Fund, it has no contractual or statutory right to access Camshaft's books and records.

30. BYJU's Demand Letter is clear that in the event Camshaft "does not respond or provide the requested information," BYJU's will "seek appropriate relief to the fullest extent permitted under the law," Ex. A at 3, which undoubtedly threatens the filing of a lawsuit.

IV. *An Actual Controversy Exists Between Camshaft and BYJU's*

31. As such, there exists an actual controversy between the parties as to whether BYJU's, as a former limited partner of Camshaft Capital Fund, has the right to access books and records. And likewise, whether Camshaft has an obligation to disclose those books and records to a ***former*** limited partner in Camshaft Capital Fund demanding they be turned over.

32. Although a present controversy is not required under Florida law, the issuance of a judgment by this Court would resolve the existing controversy between the parties relating to the dispute described above (and as further described below) and resolve Camshaft's doubt as to

whether it has any obligation to respond to BYJU's demand as a consequence of BYJU's status as a former limited partner of Camshaft Capital Fund. That is, this action will declare the rights and obligations of Camshaft under the LPA and the relevant Delaware law.

33. This Complaint clearly satisfies the elements of the Declaratory Judgment Act, which are:

a. A bona fide, actual, present practical need for the declaration;

b. That the declaration should deal with a present, ascertained, or ascertainable state of facts **OR** a present controversy as to a state of facts;

c. That some immunity, power, privilege, or right of the complaining party is dependent upon the facts or the law applicable to the facts;

d. That there is some person or persons who have, or reasonably may have an actual, present, adverse, and antagonistic interest in the subject matter, either in fact or law; and

e. That the antagonistic and adverse interests are all before the court by proper process or class representation and that the relief sought is not merely the giving of legal advice by the courts or the answer to questions propounded from curiosity.

May v. Holley, 59 So.2d 636, 639 (Fla.1952).

34. Accordingly, declaratory relief is warranted because a justiciable controversy exists as to whether Camshaft has the right to refuse to disclose its books and records to a former limited partner, which has no statutory or contractual rights to inspect such records.

COUNT I
(Declaratory Judgment That Camshaft Owes No Duty or Obligation to Disclose Books and Records to BYJU's Pursuant to 6 Del. C. § 17-305)

35. The allegations in paragraphs 1 through 34 above are incorporated by reference as though fully set forth herein.

36. This is an action against BYJU's for a declaratory judgment under the Florida Declaratory Judgment Act, § 86.011 *et seq.*, Florida Statutes.

37. As of the first quarter of 2023, BYJU's was no longer a partner of Camshaft Capital Fund because BYJU's had transferred all of its interest in Camshaft Capital Fund, including but not limited to the entirety of its interest in the Investment to a third party, resulting in BYJU's having a zero-balance capital account.

38. On November 20, 2023, BYJU's representative, Mr. Pohl, sent a Demand Letter to Camshaft asserting that, among other things, pursuant to "Section 17-305 of the Delaware [L]imited [P]artnership [A]ct" BYJU's is entitled to access and control over certain Camshaft books and records pertaining to the Investment. Ex. A at 1.

39. Section 17-305(a) of the Delaware Revised Uniform Limited Partnership Act provides that:

> (a) Each ***limited partner***, in person or by attorney or other agent, has the right, subject to such reasonable standards (including standards governing what information (including books, records and other documents) is to be furnished, at what time and location and at whose expense) as may be set forth in the partnership agreement or otherwise established by the general partners, to obtain from the general partners from time to time upon reasonable demand for any purpose ***reasonably related to the limited partner's interest as a limited partner***:
>
> (1) True and full information regarding the status of the business and financial condition of the limited partnership;
>
> (2) Promptly after becoming available, a copy of the limited partnership's federal, state and local income tax returns for each year;
>
> (3) A current list of the name and last known business, residence or mailing address of each partner;

> (4) A copy of any written partnership agreement and certificate of limited partnership and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the partnership agreement and any certificate and all amendments thereto have been executed;
>
> (5) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each partner and which each partner has agreed to contribute in the future, and the date on which each became a partner; and
>
> (6) Other information regarding the affairs of the limited partnership as is just and reasonable.

6 Del. C. § 17-305(a)(1)-(6) (emphasis added).

40. BYJU's is not a limited partner of any Camshaft entity and, thus, this statute does not apply to it, and it has no statutory right to request books and records under Section 17-305 of the Delaware Revised Uniform Limited Partnership Act. *Greenhouse v. Polychain Fund I LP*, No. CV 2018-0214-JRS, 2019 WL 2290245, at *4-5 (Del. Ch. May 29, 2019) (holding that the plaintiff had no standing to seek books and records under 6 Del. C. § 17-305 because the plaintiff was no longer a limited partner and the statute "affords . . . no right to former limited partners to inspect a partnership's books and records.").

41. On December 4, 2023, Camshaft responded to BYJU's Demand Letter and notified BYJU's that it had no statutory standing to request books and records, and rejected BYJU's request for the disclosure of the requested books and records. *See generally* Ex. B.

42. There is a bona fide, actual, present practical need for the declaration because BYJU's has demanded Camshaft provide numerous very broad categories of books and records pertaining to the Investment, despite the fact that BYJU's is a former limited partner of Camshaft Capital Fund with a zero-balance capital account.

43. BYJU's was never a limited partner of any other Camshaft entity.

44. As a result of the Demand Letter and its threat of legal action, Camshaft is in doubt as to what its rights and obligations are to BYJU's under the Delaware Revised Uniform Limited

Partnership Act, particularly Section 17-305, and, as such, whether Camshaft properly rejected BYJU's demand for books and records as a former limited partner.

45. Camshaft's declaratory judgment action relates to a present, ascertained, or ascertainable state of facts or controversy because BYJU's has expressly stated in writing that in the event of non-compliance with providing the requested information, it will "seek appropriate relief to the fullest extent permitted under law" against Camshaft, which is which is a clear threat to file a lawsuit. Ex. A at 3.

46. Camshaft, as the complaining party, must be assured of its right to refuse to disclose confidential and trade secret books and records to BYJU's, a former limited partner of Camshaft Capital Fund.

47. BYJU's reasonably has an actual, present, adverse, and antagonistic interest in Camshaft's requested declaratory relief.

48. All the antagonistic and adverse interests are all before the Court because this is a question of the rights or obligations of BYJU's and Camshaft pursuant to BYJU's demand for Camshaft's books and records.

49. The relief sought by Camshaft is not an attempt to obtain advisory legal advice from this Court, or the answer to questions propounded from curiosity.

WHEREFORE, Camshaft respectfully requests that this Court enter judgment against BYJU's declaring that Camshaft has no statutory obligation, including under Section 17-305 of the Delaware Revised Uniform Limited Partnership Act, to disclose any of its books and records to BYJU's.

COUNT II
(Declaratory Judgment That Camshaft Owes No Duty to Disclose Books and Records to BYJU's Pursuant to the LPA)

50. The allegations in paragraphs 1 through 34 above are incorporated by reference as though fully set forth herein.

51. This is an action against BYJU's for a declaratory judgment under the Florida Declaratory Judgment Act, § 86.011 *et seq.*, Florida Statutes.

52. As of the first quarter of 2023, BYJU's was no longer a partner of Camshaft Capital Fund because BYJU's had transferred all of its interest in Camshaft Capital Fund, including but not limited to its interest in the Investment to a third party, resulting in BYJU's having a zero-balance capital account.

53. On November 20, 2023, BYJU's representative, Mr. Pohl, sent a Demand Letter asserting that, among other things, pursuant to "contractual . . . rights" BYJU's entitled to access to very broad categories of Camshaft's books and records. Ex. A at 1.

54. During the time BYJU's was a limited partner of Camshaft Capital Fund, its rights were governed by the LPA.

55. Section 7.02 of the LPA provides:

> 7.02 Books and Records. The General Partner [Camshaft Capital Management] shall keep or cause to be kept, at the Partnership's [Camshaft Capital Fund's] expense, full, complete and accurate books of account and other records showing the assets, liabilities, costs, expenditures, receipts, Net Profits and Net Losses of the Partnership [Camshaft Capital Fund], the respective Capital Accounts of the Partners and such other matters required by the Act. Such books of account shall be the property of the Partnership [Camshaft Capital Fund], shall be kept in accordance with sound accounting principles and procedures consistently applied, and shall be open to the reasonable inspection and examination of the Partners or their duly authorized representatives upon notice to the General Partner [Camshaft Capital Management]. The books of account shall be maintained at the principal office of the General Partner [Camshaft Capital Management] or at the office of the Partnership's [Camshaft Capital Fund's] accounting or administrative firm, as determined by the General Partner [Camshaft Capital Management] in its sole

> discretion. Notwithstanding the foregoing, however, the General Partner [Camshaft Capital Management] is not obligated to show any Partners records detailing the actual Securities trades placed by the Partnership [Camshaft Capital Fund]. Information regarding the Partnership's [Camshaft Capital Fund's] trading and specific investments is proprietary.

56. The LPA is the only contractual basis by which BYJU's claims any right to demand Camshaft's books and records.

57. BYJU's is a former limited partner of Camshaft Capital Fund and, thus, has no contractual right under the LPA to inspect Camshaft's books and records.

58. BYJU's was not a limited partner of any other Camshaft entity.

59. On December 4, 2023, Camshaft responded to BYJU's Demand Letter and notified BYJU's that it had no contractual right to demand books and records because BYJU's is not a limited partner of Camshaft Capital Fund. *See generally* Ex. B.

60. There is a bona fide, actual, present practical need for the declaration because BYJU's has demanded Camshaft to provide very broad categories of books and records, but BYJU's is no longer a partner of Camshaft Capital Fund by virtue of BYJU's transfer of all its interest in Camshaft Capital Fund to a third party.

61. As a result of the Demand Letter and its threat of legal action, Camshaft is in doubt as to its contractual rights under the LPA and, as such, whether Camshaft must comply with BYJU's demand for the production of documents when BYJU's is a former limited partner of Camshaft Capital Fund and has no right to inspect any of Camshaft's books and records.

62. Camshaft's declaratory judgment action relates to a present, ascertained, or ascertainable state of facts or controversy because BYJU's has expressly stated in writing that in the event of non-compliance with providing the requested information, it will "seek appropriate

relief to the fullest extent permitted under law" against Camshaft, which is a clear threat to file a lawsuit. Ex. A at 3.

63. Camshaft, as the complaining party, must be assured of its right to refuse to disclose confidential and trade secret books and records to BYJU's, a former limited partner of Camshaft Capital Fund.

64. BYJU's reasonably has an actual, present, adverse, and antagonistic interest in Camshaft's requested declaratory relief.

65. All the antagonistic and adverse interests are all before the Court because this is a question of the rights or obligations of BYJU's and Camshaft pursuant to BYJU's demand for Camshaft's books and records.

66. The relief sought by Camshaft does not seek advisory legal advice from this Court, or the answer to questions propounded from curiosity.

WHEREFORE, Camshaft respectfully requests that this Court enter judgment against BYJU's declaring that Camshaft has no contractual obligation under the LPA to disclose any of its books and records to BYJU's.

PRAYER FOR RELIEF

WHEREFORE, Camshaft respectfully requests that this Court enter judgment against BYJU's:

a. Declaring that Camshaft has no statutory obligation to disclose any of its books and records to BYJU's.

b. Declaring that Camshaft has no contractual obligation under the LPA to disclose any of its books and records to BYJU's.

c. Granting Camshaft any further relief the Court deems just and appropriate.

Dated: December 15, 2023.

Respectfully submitted,

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Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th day of December, 2023, a true and correct copy of the foregoing document was electronically filed, which will serve a Notice of Filing on all counsel of record, via the Court's e-service system.

By:/s/ *David Massey*__
David B. Massey